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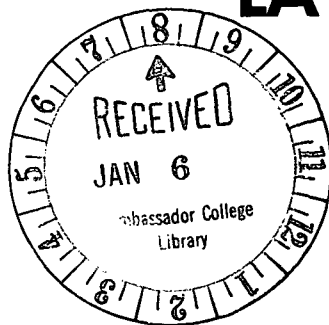
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Current History

JANUARY, 1983

VOL. 82, NO. 480

The political and economic changes in the Middle East are viewed from various perspectives in this issue. The fluidity of the political situation is underscored in our lead article, which points out that in the Middle East, "the United States faces promising but dangerous opportunities. The Reagan administration may have the skill and resourcefulness required to make the most of these opportunities, but time may be running out."

U.S. Policy in the Middle East: Exploiting New Opportunities

BY LEONARD BINDER

Professor of Political Science, University of Chicago

DURING the last six months, a virtual sea change has occurred in United States policy in the Middle East. It is premature to judge whether this remarkable change will continue to characterize United States policy or whether we are witnessing a short-term and somewhat extemporaneous response to unexpected developments. If it is the events themselves that have forced this new policy orientation on us, then we may expect more surprises to follow. But if the administration of President Ronald Reagan has undertaken initiatives directed at a long-term disposition of some of the region's chronic political problems, then we can expect to see a considerable expansion of American commitments in the Middle East.

The central feature of our new orientation is the apparent willingness to dispense with the use of surrogates and to act directly in the region. Witness the commitment of the first contingents of United States troops in Lebanon since 1958 and President Reagan's outline of a comprehensive peace proposal on September 1, 1982.* But these are only the most obvious features of an emergent policy. Less obvious but of nearly equal importance are other changes, like the decline in the degree of our reliance on the regional role of Saudi Arabia, a suspension of our preoccupation with the activities of the Soviet Union in the Middle East, a more detached approach toward the prospect of Iranian military successes in the war with Iraq, a considerable diminution of short-run concern with petro-

leum supplies, a studied effort to detach ourselves from any responsibility for Israeli policy (and, in particular, from any identification with Israel as a regional military ally), and a somewhat belated and surprising turn toward strengthening our links with Lebanon and Jordan.

Many features of our long-standing policies have not changed and do not seem likely to change in the short run. Despite the development of sharp differences with Israel and even some efforts to redefine the "special" relationship, it is improbable that the Reagan administration will attempt to weaken Israel in a military sense. Although there have been important signs of discontent in Egypt, the United States is likely to continue to discount the Egyptian political and military potential, confirming the unspoken conclusion that Egypt has a much greater capacity for disruption in case of a domestic upheaval than it has for a constructive contribution. While the United States has grown doubtful of the ability of Saudi Arabia to win general Arab support for a comprehensive peace package, the administration intends to continue to work closely with the Saudis in persuading some Arab states to accept a version of the Reagan plan. We still do not wish to see an Iraqi defeat and we would encourage Sudanese and further Jordanian military assistance to Baghdad to forestall what some rather optimistically see as the last desperate Iranian offensive. The United States persists also in its ambivalent policy toward Syria, hoping to limit Soviet influence while diminishing Syria's disruptive potential in Lebanon, in Jordan, among all the constituent groups of the Pal-

*For excerpts from the Reagan peace proposal and the subsequent Fez proposal, see page 33 of this issue.

estine Liberation Organization (PLO) and even in Iraq.

Above all, long-term American goals have not changed. The exclusion of Soviet influence, access to the petroleum riches of the region, security and freedom of passage to and through the region, the peaceful settlement of international disputes, the stability of existing regimes, and the protection of the interests of American citizens remain the goals of United States policy. From time to time, American spokesmen have emphasized the importance of the United States commitment to Israel, but few have made it clear whether this commitment is a prerequisite to other goals, an adjunct but separate goal, or merely one part of more generally stated goals. The solution of the Palestinian problem, preferably by determining and granting legitimate Palestinian rights, has been regarded as a prerequisite. Now the reestablishment of the sovereign authority of the Lebanese government is also viewed as a prerequisite. Of lesser significance might be the necessity of ending the Gulf war, resolving Israeli-Syrian disputes, and solving Egypt's economic problems—in that order.

The Egyptian-Israeli treaty, the Iranian revolution and the subsequent Gulf war, and United States assistance have greatly enhanced the political and military capabilities of Israel, making it at once a far more valuable ally and a far more obstreperous partner of the United States in the Middle East. The United States has little real incentive to discipline such a useful Israel even when policy preferences do not coincide. But the Israelis, concomitantly, have great incentive and sometimes greater insensitivity in demanding a high price for their cooperation. This lopsided alliance is the basic reason for the growing friction between the United States and Israel; but misunderstandings, suspicions and substantive differences have worsened relations during the Israeli occupation of parts of Lebanon.

It is not, however, clear to what extent the United States and Israel actually differ on their goals in Lebanon. It is clear that the United States does not wish to be identified with Israeli policy in Lebanon and wants to bear no responsibility for the way in which Israel has implemented its policy. In this regard, the administration has been either successful or lucky; the American media have played down the degree to which the Israeli invasion was the result of American-Israeli collusion.

United States policy has been ambiguous. Secretary of State Alexander Haig made a number of statements indicating that he thought that Syrian and PLO influence in Lebanon ought to be diminished and that the sovereign authority of the Lebanese government should be reestablished. It was clear that he intended this to happen before the Palestinian question was re-

solved, and one may surmise that he understood that political change in Lebanon would seriously affect the bargaining power of the PLO and of Syria. The cease-fire of July, 1981, negotiated between Israel and the PLO by United States special envoy Philip Habib, had the effect of freezing the status quo in Lebanon. The prominent part played by Saudi Arabia in bringing about the cease-fire suggested that the United States was willing to entertain a Saudi-inspired solution to the Lebanese conflict, which would be based upon a compromise among the Lebanese, the Syrians, and the Palestinians that would give the Lebanese government the major responsibility for controlling the border areas with Israel.

The plan advanced by Saudi Arabia's Crown Prince Fahd in August, 1981, was the next step in the Saudi strategy.** The plan was meant to rally the Arabs to a "moderate" solution of the Arab-Israeli conflict by providing for a "half-a-loaf" solution: recognition of Israel in return for the establishment of a Palestinian state on the West Bank and the Gaza Strip. But the Fahd plan was also a repudiation of the Camp David accords and a particular affront to Egypt. Since the announcement of the Fahd plan preceded the cession of the last slice of the Sinai to Egypt by Israel, its acceptance by the United States might have undermined that essential part of the American program for the Middle East. The Fahd plan was unacceptable to Israel, which is adamantly opposed to a Palestinian state, and it was unacceptable to Syria, which opposes any solution that is likely to reduce its influence and/or leverage over Lebanon, Jordan and the PLO.

The situation in Lebanon was greatly troubling to the Israelis. The Israelis do not wish to sign any peace treaty with the Arab states that leaves Israeli security conditional upon the stability of governments of questionable legitimacy. Israel was particularly concerned that Lebanon might become a privileged sanctuary from which the PLO could launch ever more effective attacks with impunity. The armed truce on Israel's northern border might be transformed into a dreaded war of attrition or might simply weaken Israel's bargaining power over the West Bank.

There is some reason to believe that Israeli officials contemplated an incursion of some sort into Lebanon before April 25, 1982 (when Israel was to evacuate the remaining Sinai territory), during the period when the Israelis felt most confident that Egypt would not respond vigorously. The PLO military buildup that took place during this period intensified Israeli anxiety, while the responsiveness of the United States to Saudi preferences suggested that there would be little American sympathy for any Israeli intervention in Lebanon after April 25. It is evident that the Israelis were persuaded to restrain themselves until after that date, but they were certainly not discouraged thereafter and some observers argue that they were even encouraged

**For the text of the 1981 Fahd plan see *Current History*, January, 1982, p. 4.

by Secretary Haig's Chicago speech of May 26, 1982, to launch their June 6 invasion.[†]

Mixed signals continued to characterize the American response to the Israeli invasion. The American position was that the United States did not collude with the Israelis and did not welcome the invasion, but neither would it condemn it. The most important element in the rather transparent United States response was that the administration believed that the new situation created by the Israeli invasion, which is to say by Israeli military successes, offered new opportunities for a breakthrough in the search for peace in the region. The new situation included a massive decrease in the political influence of the PLO, the transformation of the Syrian salient in Lebanon into a position of strategic vulnerability, and a vast increase in the political credibility of the Phalangist (Kata'ib) party and the Gemayel family. It was now possible to contemplate restoring the authority of Lebanese institutions and re-opening the Camp David autonomy talks with a much sobered West Bank political leadership.

The tension between the United States and Israel grew as the United States responded to the pressures of the moderate Arab states, who were seriously embarrassed by the Israeli invasion and by their inability (or unwillingness) to come to the aid of the Palestinians. It was all too easy for observers to conclude that most Arab bystanders were of mixed feelings regarding the Israeli action and the fate of the PLO. The sharpest disagreements emerged over the scope and ultimate political goals of the invasion. The United States seemed willing to accept or condone a large-scale but politically vacuous operation aimed at pushing PLO arms north of a line some 25 miles (40 kilometers) from the Israeli border. While that position accords with the misleading early statements issued by the Israelis, it certainly does not accord with Secretary Haig's early statements regarding the political opportunities afforded by Israeli successes.

It is hard to believe that the larger political implications of the expected Israeli action had been ignored in Washington during the period leading up to June 6. It is, nevertheless, clear from Haig's subsequent dismissal that there was significant disagreement among American policymakers regarding the long-term goals to be achieved by exploiting the Israeli invasion and the price the United States is willing to pay in political as well as material costs. While the United States adopted the goal of restoring the sovereign authority of the Lebanese government, the administration did not appear to be committed to excluding the PLO and the Syrians from the political negotiations that would lead to such an outcome. Nor was the administration convinced that a Gemayel presidency was feasible.

[†]Editor's note: A major foreign policy address in which Haig indicated that the United States would seek concerted international action to end the Lebanese civil war.

Haig's dismissal signaled the ascendancy of United States Secretary of Defense Caspar Weinberger in counseling the President on the Middle East; and Weinberger had already become identified with a Saudi orientation in our Middle East policy. The Saudis hoped to salvage some prestige by persuading the United States to keep the Israelis out of West Beirut, thus allowing the PLO to maintain both a political and a military presence in Lebanon. Although President Reagan reiterated the Haig position that the Israeli invasion created new and hopeful opportunities even after the Haig dismissal, the Israelis remained apprehensive that Philip Habib was once again working toward a compromise that would preserve the place of the PLO in the Lebanese political system. The heavy shelling of West Beirut, ordered in early August by Israel's Defense Minister Ariel Sharon, was meant to force the issue and especially to keep pressure on Habib, but it also led to a considerable public outcry and to pressure on President Reagan to dissociate the United States from Israeli actions.

Still, the degree of American displeasure with the Israelis remained in doubt. It is likely that National Security Adviser William P. Clark, Secretary of State George Shultz, Weinberger, and other presidential advisers were themselves uncertain that Habib could remove the PLO from West Beirut without the pressure of the Israeli military threat. Moreover, the United States voiced no misgivings over the election of Lebanese President Bashir Gemayel under the protection of Israeli guns. But most important was the mild response of the United States to the entry of the Israeli forces into West Beirut after Gemayel's assassination.

In retrospect, it appears that, like the Israelis, the Americans were apprehensive that the assassination was a signal for a general uprising of "leftist," Nasserist, and clandestine PLO forces in West Beirut. The smoothness of the Israeli operation may have lulled Americans and Israelis into a sense of complacency during the first couple of days after the Israeli entry. But the massacre of Palestinian civilian refugees by the Phalangist militia acting in apparent concert with the Israeli forces rocked public opinion worldwide and forced the United States into another angry confrontation with the Israeli government.

With the aid of hindsight, it is now clear that the "purification" of the refugee camps might have been left to the new Lebanese government as it was during early October. It is even likely that the task could have been undertaken by Israeli forces with little risk to life and property. It is even more likely that the concern about the continued presence of the PLO in the camps was greatly exaggerated and that the operation was superfluous. Now, however, it is difficult for any of those concerned with the affair to avoid the stigma that attaches to the Shatila massacre.

The United States response to the initial move of

the Israelis into West Beirut may also have been influenced by the fact that we were already engaged in a complex confrontation with the Israelis over President Reagan's peace initiative of September 1. While it is unlikely that all the elements of that proposal were new, it is a good bet that it was not part of the United States game plan at the time of Haig's Chicago speech. At that time, the administration was still committed to the Camp David framework, which left the ultimate disposition of the West Bank and the Gaza Strip to be determined after an interim of five years; during which the Palestinian inhabitants of those territories would enjoy political "autonomy." The Reagan plan seems to have been devised after George Shultz was appointed as a means of mollifying moderate Arab opinion without giving up any of the strategic benefits gained as a consequence of the Israeli invasion of Lebanon. In this sense, the Reagan initiative represented a compromise between what appeared to be the Haig position and the Weinberger-Habib position.

Israeli Prime Minister Menachem Begin and Defense Minister Sharon strenuously objected to the Reagan plan because it denies them the full political benefits they hoped to reap on the West Bank and in the Gaza district as a consequence of smashing the PLO in Lebanon. The plan was even more galling to them because it supports the position of the Labor Alignment, led by Shimon Peres, and could be interpreted as an effort to unseat the Likud (Begin) government. The Begin government had hoped to reopen the autonomy talks with Egypt, with American assistance, and expected that representatives of a demoralized Palestinian population would acquiesce in the Israeli definition of autonomy as the least bad alternative. The United States had drawn similar conclusions from the events in Lebanon and had decided that a West Bank political entity, even with some sort of a PLO connection, would constitute no danger to Israeli or United States interests, so long as it was not militarized and was not fully independent.

In some ways, President Reagan's plan is remarkably pro-Israeli because it explicitly opposes the establishment of a sovereign Palestinian state. While the United States has never officially supported Palestinian independence, its reticence was usually thought to be conditioned on a prior recognition of Israel by the PLO. Hence, if the Reagan plan were adopted, Palestinian independence would no longer be a goal that the Palestinian movement could hope to achieve by peaceful means. But the plan also opposes annexation of the occupied territories by Israel, preferring instead to link those territories in some unspecified constitutional way to Jordan.

The initial Israeli response has been one of frustration and even exasperation with the American undercutting of the Begin-Sharon grand design. Surprisingly, there has been no attempt to capitalize on the

considerable achievement of having the American President reject the Palestinian claim to statehood. The primary motive of the Likud government is ideological and nationalistic, but its secondary motive is a more objective concern over whether Jordan's King Hussein is an adequate match for PLO leader Yasir Arafat and the more radical leaders of the organizations that comprise the PLO. Obviously, this concern is shared by Hussein and is understood, if not shared, in Washington. It takes considerable nerve on Shultz's part to put forward such a proposal, and it will take enormous courage, at the least, for the King to carry out this part of the plan. For the plan to succeed, the PLO, Israel and Jordan must cooperate, and Saudi Arabia, Syria, and possibly even Egypt must also go along with it.

Given the delicate complexity of the American plan, it might have been expected to collapse at the first indication of strong opposition, but the Israeli campaign to sink the plan foundered on the surge of negative opinion following the revelation of the massacre of Palestinian refugees in Lebanon. In particular, the unexpected vigor of domestic Israeli opposition, which took the massacre as a point of departure for the expression of a more general opposition to the policies of the Likud government, diverted Begin and Sharon from their attacks on the American plan and it threw them on the defensive.

But the astonishing display of Israeli activism and independent moral thinking was readily identified with the implied desire of the Reagan administration for a change in the Israeli government. The Begin government conceded the opposition's demand for a judicial inquiry into Israel's responsibility for the massacre, and the subsequent inclination of the international media to attribute the primary responsibility to Israel for acts committed by the Phalangists completed the job of calming the opposition. Few observers expect the inquiry to turn up much more than is already known. The actions of President Amin Gemayel's government are likely to put the massacre in a somewhat different perspective by the time of the commission's report. And Israeli public opinion is likely to be far more concerned about the fact that the Maronite Christians will benefit far more from the Israeli invasion of Lebanon than the Israelis, while the Israelis will have to bear the burden of blame for all sorts of things. Indeed, if Lebanon is to be pieced back together, that is the way it has to be; but Israelis are likely to question their government about what was in it for them.

In the light of the conventional wisdom regarding

(Continued on page 37)

Leonard Binder is a past president of the Middle East Studies Institute and a fellow of the Center for Advanced Study on the Behavioural Sciences. His latest book is *In a Moment of Enthusiasm* (Chicago: University of Chicago Press, 1978).

After its dispersal from southern Lebanon and Beirut, "the Fatah-dominated PLO leadership seemed to come through the summer of 1982 with increased legitimacy and no major internal challenge. . . . Despite their severe losses, it seemed clear that the Palestinians would not be forced to the sidelines in the ongoing Middle East conflict. . . ."

The Palestinians After Lebanon

BY MICHAEL C. HUDSON

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THE massacre of Palestinians in two Beirut refugee camps on September 16, 17, and 18, 1982, by right-wing militiamen at least tacitly supported by the Israeli forces in the area may come to be seen as a watershed in the Palestinian struggle for self-determination, now in its sixth decade. This grisly end to a devastating summer left the Palestine Liberation Organization (PLO), the embodiment of the political identity of nearly 4 million Palestinian people, once again at a familiar crossroads. On the one hand, the road of compromise, negotiation, and ultimate acceptance of a solution well short of statehood and genuine self-determination beckoned; on the other lay the pathway of radicalism, violence and subversion in the unwavering pursuit of recovery of the land, independence, sovereignty and, perhaps, revenge. And still another prospect presented itself: the possibility of growing irrelevance on the stage of Middle East politics, a product of the enfeeblement of the PLO after the disastrous summer of 1982.

If one were to chart the political fortunes of the Palestinian Arabs from the emergence in the mid-1960's of Al-Fatah, the principal resistance organization, to the eve of Israel's invasion of Lebanon in June, 1982, one might look at four aspects: (1) the mobilization of the Palestinian community itself, that is, the growth of political authenticity and institutions; (2) the nature of the relationship between the Palestinian movement and the Arab states, especially the degree and the direction of influence of one on the other; (3) the standing of the Palestinians among the Israelis; and (4) the nature of support for the Palestinian cause in the world outside, especially among the superpowers.

How might one plot the "performance curves" of the Palestinians along each of these four dimensions? In the case of Palestinian community mobilization, the curve has undoubtedly shown a steady rise. The rise was especially steep during the summer of 1982, at least until the massacre at Sabra and Shatila camps after which, conceivably, it might begin to slacken. Relationships with the Arab states vary greatly and oscil-

late according to shifts in ideological patterns and calculations of interest in inter-Arab relations. The position of the Palestinians as a political community has always been negative in the eyes of Israeli governments, particularly the government of Menachem Begin. But in some sectors of Israeli public opinion an understanding of the Palestinian cause has emerged. On the world stage, the Palestinians have scored their most impressive gains, rising from obscurity in the mid-1960's to almost universal recognition by the early 1980's. Only in the United States is there still significant ignorance and hostility toward the Palestinians and their aspirations.

Until the Israeli invasion destroyed much of it, the Palestine Liberation Organization had built up an impressive infrastructure. Its budget was reported to approach \$1 billion annually, of which over half came from Arab governments. Its military establishment numbered over 30,000 fighters, well equipped with light and medium weaponry, including long-range artillery, but lacking in airpower, heavy armor and adequate air defense systems. The PLO had developed an economic organization, Samed, that was estimated to have grossed \$40 million in 1981 through its light industries and businesses. A social welfare department provided health care, education and financial assistance to the families of killed fighters. The Palestine Red Crescent Organization operated many hospitals and clinics, mainly in Lebanon. In short, by 1982 the Palestinians had developed the nucleus of a government and an economy.

On the political side, there were several major "parties," each with its militia or guerrilla organizations: these included Al-Fatah (the largest and centrist in ideology), the Popular Front for the Liberation of Palestine (PFLP), the Democratic Front (DFLP), the Popular Front-General Command (PFLP-GC), and Saïqa (dominated by the Syrian government). There were also 10 "popular organizations" (for women, students, workers, peasants and various professions) which were active in their various spheres; and a 301-member Palestine National Council. Even though the circum-

stances of the Palestinian diaspora made formal elections to this Council impossible, it was still broadly representative of the main sectors (functional and regional) of Palestinian society.

These institutions succeeded in mobilizing Palestinians everywhere, including the more than one million under Israeli occupation in the West Bank, East Jerusalem and Gaza. Recognized by more than 100 countries, the PLO also projected a significant international presence; and in the Arab world it was accorded the status of a member government of the League of Arab States. To Israel, however, it was essentially a terrorist organization.

GOALS AND TACTICS

By June, 1982, the PLO had reached a readiness to accept the partition of historic Palestine (the territory west of the Jordan River) along lines envisaged in the 1967 U.N. Resolution 242, i.e., with borders roughly similar to the armistice borders preceding the June, 1967, Six Day War. To be sure, the position was not expressed with the precision demanded by the Israelis and the Americans—especially with respect to PLO recognition of Israel as a legitimate, permanent state—but it was a long way from the positions taken in the 1960's by the original PLO leadership under Ahmad Shuqairy and by the then-unknown organizations that eventually took over the PLO. Revenge, return and recovery of the whole of Palestine were the watchwords of those times.

In 1969, the PLO, which had been established in 1964 by the Arab states, was taken over by the militants of Al-Fatah and other hitherto clandestine organizations committed to the principle of armed popular struggle for the recovery of the land. For several years thereafter, the PLO's guiding principle was the establishment of a secular democratic state in all Palestine, in which both Arabs and Jews with roots preceding the "Zionist invasion" would participate in the political process. This formula required the dismantling of the Zionist state apparatus and its replacement by an entirely different form of government dominated neither by Zionism nor by any other exclusivist ethno-sectarian identity. For some Palestinians, this formula was flawed in that it denied the priority of the principle of Arab unity; for others it did not spell out a sufficiently clear and egalitarian social philosophy.

Circumstances, however, forced a contraction rather than a radicalization of this program. Efforts to organize popular uprisings against Israel before 1967 were quashed by the Israelis and often by the border states of Jordan and Lebanon too. Despite rapid growth in numbers and popularity following the humiliating defeat of the Arab armies by Israel in 1967, the Palestinian resistance was unable to organize itself well enough to sustain a serious uprising either in the occupied West Bank or in Gaza. An even more serious

impediment was the defeat of the Palestinian guerrillas in Jordan in 1970–1971 at the hands of King Hussein's army. This first major test between the Palestinians and an established regime—even though its population was heavily Palestinian and its own legitimacy regarded as precarious—demonstrated that Israel was not the only enemy of a resurgent Palestinian national movement.

The subsequent military comeback of Egypt and Syria against Israel in the 1973 war gave a new lease on life to these two Arab states, at least, and showed that the Palestinian guerrillas could no longer dominate the scene. President Anwar Sadat had shown that Egypt was only prepared to fight a very limited war in order to activate a diplomatic solution. The Palestinians would also have to limit their approach.

Thus in 1974 the PLO significantly contracted its goals by calling for the establishment of a "national authority" in any part of Israeli-occupied Palestine that could be liberated. This decision implicitly reflected the fact that the Palestinians were ready to accept the partition of Palestine rather than to assist in a single (non-Zionist) state solution. In the same year, this somewhat tamed PLO was given authority by Arab states including Jordan to "speak for" the West Bank and Gaza. By 1977, the PLO was prepared to be more explicit when it called for the establishment of an independent, sovereign state of Palestine in the occupied West Bank, East Jerusalem and Gaza. At this juncture, a new United States administration under President Jimmy Carter was setting about to take a new initiative on the Middle East that for the first time would draw the Palestinians into the process—if the PLO would only indicate flexibility on recognizing Israel and accepting representation in a proposed Geneva conference by being part of a combined delegation of Arab states.

In retrospect, the summer of 1977 represented a lost opportunity, for none of the key parties was able to bend sufficiently to allow a diplomatic breakthrough. Under strong domestic pro-Israeli pressure, the United States government felt constrained by the secret agreement United States Secretary of State Henry Kissinger had concluded with Israel pledging no United States negotiation with the PLO before it recognized Israel; the PLO could not bring itself to make an unequivocal commitment to UN Resolution 242; the Syrians and other Arab parties complicated the effort to create a joint Arab delegation. Finally, Egypt's President Anwar Sadat transformed the entire situation by his visit to Jerusalem and Egypt's subsequent separate peace with Israel. As a result of Egypt's policy, the other Arab states and the Palestinians were left to fend for themselves without the support of Egypt, the most powerful Arab state. Freed of the Egyptian deterrent, an Israeli government far more militant than its predecessors decided that it had made

all the concessions it cared to when it traded occupied Sinai for peace with Egypt. Begin's regime appeared to believe the time was ripe to settle the issue of the West Bank and Gaza and to liquidate the PLO.

For its part, the PLO leadership felt it had made all the concessions it could and decided to hold one of its few remaining cards—PLO recognition of Israel—until the price was right. As Yasir Arafat told this writer in 1980 (as he told many other visitors): "We will play this card, but only when we can get a very good price for it from the United States and Israel." By 1977, then, the PLO had gone a considerable distance toward moderating its goals, but from that time on it would yield no more. The leadership refused to give formal and categorical assurance that it would recognize Israel within its pre-1967 borders, and it refused to amend the clause in its national charter calling for the complete elimination of the Zionist state.

A stagnant condition of "no war, no peace" followed, with the Arab states too weak to make war and too divided to make peace; with the PLO unable either to make further concessions or to carry out significant armed struggle against Israel; with Israel strong and intransigent, tightening its grip on the occupied territories through a massive campaign of building settlements; and with the United States vainly committed to the Camp David formula as a way of solving the Palestinian-Israeli conflict.

THE INVASION

It seems clear in retrospect that Israel's invasion of Lebanon was an attempt to break the Middle East political logjam in Israel's favor. Israeli success would physically liquidate the one actor—the PLO—that was seen as the main obstacle to the complete de facto annexation of the West Bank and Gaza and to the establishment of a regime in Lebanon that would accommodate Israel's security and economic interests. The Lebanon campaign might also serve to distract American and world attention from the occupied Palestinian territory. Even though the United States emissary, Philip Habib, had negotiated a successful ceasefire between Israel and the PLO following their two-week border war in July, 1981, most Middle East observers expected a full-scale Israeli invasion over some pretext because of the favorable military balance, the massive disarray in the Arab world, and the substantial influence that the PLO had come to exert worldwide on behalf of the Palestinian cause.

The pretext for the invasion was the wounding of Israel's ambassador in London, which later appeared to be the work of a radical anti-Arafat Palestinian group headed by Abu Nidal. At first the scope of the "Peace for Galilee" operation was stated to be clearing an approximately 40-kilometer-wide belt of Lebanese territory north of the Israeli border in order to remove long-range Palestinian artillery and missiles. But the

plan quickly escalated, apparently to the surprise of most of the Israeli Cabinet and the United States government. Sweeping along the coast and up through the mountains, the Israeli army demonstrated massive firepower and impressive air-to-ground missile technology. It also showed a readiness to employ cluster-bombs and phosphorous shells without much concern for civilian casualties, and in doing so dismayed many of its supporters in the United States and elsewhere. But it was the apparent complicity of the Israeli command in the massacre of the Palestinian civilians at Sabra and Shatila that most hurt the Israeli cause and strengthened world sympathy for the Palestinians.

Considering the overwhelming odds they faced—perhaps 25,000 Palestinians and Lebanese fighters against an invading army of 120,000—the fact that the PLO and its Lebanese allies from the National Movement managed to resist for nearly three months could be considered a relative gain. The human cost to Israel, over 300 killed and up to 2,000 wounded, while small compared to the casualties inflicted on the PLO, was nevertheless perceived as a serious loss by the Israelis. If the war cost Israel around \$2 billion, this was relatively little compared to the 1973 war; yet it did worsen Israel's precarious international financial position and increase its dependence on the United States. On balance, however, these were only small gains for the Palestinians. The fact that Israel did not have to go on a total emergency war footing, that its normal life continued, and that many Israelis could take vacations in Europe during the summer of 1982 indicated just how powerful Israel had become.

Nevertheless, the PLO has apparently gained self-confidence and new respect in Palestinian and Arab circles for surviving as long as it did—80 days—longer than any combination of Arab armies had lasted in the 1956, 1967 and 1973 wars. The popularity of the PLO leadership was apparently enhanced as a result of the dogged struggle—at least until the massacre of September.

In the West Bank, Palestinian students demonstrated and shopkeepers went on strike, and the mood there throughout the summer was very tense indeed. Instead of being cowed by Israel's military pyrotechnics in Lebanon, Palestinians under the occupation were defiant and showed a renewed commitment to the PLO. There was no sign in the months immediately after the invasion that Israel's thesis that the elimination of the PLO would encourage "moderate" Palestinians in the territories was correct, and the Israeli-sponsored "village leagues" apparently gained no popularity among the local Palestinians.

Instead, there were demonstrations of support from Israel's Arab population. Although Arab governments were embarrassingly unable to help the PLO or Lebanon, the Palestinians apparently generated new and strong regional Arab support. Even in Egypt, whose

government and ruling elites had downplayed the Palestinians, the press began to display a degree of rhetorical concern, and President Hosni Mubarak recalled Egypt's ambassador in Tel Aviv. The evacuation of the Palestinian fighters to eight Arab countries (Algeria, Tunisia, Sudan, Jordan, Syria, Iraq, North Yemen and South Yemen) brought the Palestinian issue to the forefront of local attention with renewed intensity; it was a tangible indicator of the "re-Arabization" of the Palestinian issue and a sign, perhaps, that this issue would gain new salience in domestic and inter-Arab politics, whatever the course of developments with Israel might be.

One can also argue that the military outcome offered new possibilities to the Palestinians. On the assumption that the PLO's standing army in Lebanon had long since ceased to be a viable weapon against Israel while embroiling the PLO in the morass of the Lebanese conflict, the dispersion of those forces might be a blessing in disguise; it would force a rethinking of the role of force altogether and, failing diplomatic progress, would direct the Palestinians back toward politically relevant guerrilla actions inside Israel and its territories.

GAINS IN THE WORLD

To the extent that the Palestinian-Israeli struggle is like a zero-sum game (i.e., that setbacks for Israel are gains for the Palestinians), then the Palestinian cause was substantially advanced on the international level during the summer of 1982. The Israeli invasion was greeted with a chorus of denunciations from around the world, particularly when it became apparent that Israel's intention was to go beyond the immediate border zone. Criticism mounted as the disproportionate scale of the Israeli military campaign became evident and the immense human dislocation of Palestinian and Lebanese civilians became clearer. The embassies of important Western countries in Beirut (e.g., the Canadian, French, and Norwegian) reported in great detail the effect of indiscriminate Israeli air and artillery attacks—especially the use of American-made cluster bombs and phosphorous shells on civilians. Israel's efforts to minimize the casualty estimates could not diminish the perceived extent of the destruction reported every night on television.

The invasion of Lebanon was the first Arab-Israeli war widely reported by the mass media from the Arab side of the battlefield. Hundreds of journalists were present in and around Beirut; and television news was able to transmit all too graphically the horrors and devastation through satellite facilities under Syrian as well as Israeli control. Four months of graphic demonstrations of Israel's military power on television sets around the world may well have convinced world public opinion that Israel was no longer the victimized, defenseless, endangered society that deserved aid and

sympathy, or at least the benefit of the doubt, in the conduct of its relations with the Arabs. The most devastating blow to Israel's reputation was the coverage of the Sabra and Shatila massacres: too many newsmen from reputable news media organizations concurred in their detailed reports that the Israeli forces in the area allowed the Phalangist militias to enter the camps. Several Western sources reported that the Israeli army obligingly shot up flares to illuminate the ongoing slaughter.

In the United States, where government, the political parties, the media, and public opinion have been staunchly pro-Israeli and distinctly hostile to the PLO for years, the summer of 1982 brought significant changes. Senator Jesse Helms (R., North Carolina) remarked that the actions of Begin and Sharon were accomplishing the incredible feat of making Arafat look good. The elite press, exemplified by *The New York Times*, *The Washington Post*, and the *Christian Science Monitor*, was strongly critical of Israeli behavior and was insistent that the Palestinian problem—the heart of the Middle East crisis—had to be urgently addressed, either through a revival of the Camp David process or by some other means.

The Reagan administration also underwent an important change of emphasis. The resignation of Secretary of State Alexander Haig and his replacement by Charles Shultz coincided with the end of a United States Middle East policy in which the Palestinian question was to be left on "the back burner" in favor of developing a regional "strategic consensus" against Soviet influence. Secretary Shultz's repeated public insistence on dealing with the Palestinian issue (though not the PLO) surprised observers who were mindful that President Ronald Reagan had expressed a stronger pro-Israel position than any President since Lyndon Johnson. Shultz and other American officials apparently interpreted Israel's invasion, in part, as an attempt to divert United States and world attention from the occupied Palestinian territories in the West Bank, East Jerusalem and Gaza. The United States even helped to rescue the PLO from its encirclement in Beirut. Although the United States scrupulously refused to deal directly with the PLO leadership, it was clear that Washington not only considered the PLO an important actor but even one that ought to be preserved—albeit in a weakened state of dependence.

As Israel pressed on into Lebanon, Shultz and other officials apparently persuaded President Reagan to put some distance between the United States and Israel. The President's remarkable speech of September 1, 1982, was an attempt to do just that. It declared United States opposition to the Begin government's creeping annexation policies, called for a freeze on new settlements, reemphasized the importance of the Palestinians as a political issue, and called for Jordanian participation in deciding the fate of the terri-

tories, while at the same time opposing creation of a Palestinian state. The Begin government furiously rejected the American proposals.

The United States felt betrayed at least twice by Israel's behavior in Lebanon: first, when Israeli forces pushed beyond the 40-kilometer zone; second, and more seriously, the Israeli drive into West Beirut after the assassination of Lebanese President-elect Bashir Gemayel on September 14, violated commitments Israel had made to United States special emissary Philip Habib during the negotiations to evacuate the PLO fighters from Beirut. Israel's betrayal of its commitments embarrassed the United States, and discomfort deepened because of the massacre. Israel's supporters in the United States were also embarrassed, and there was considerable ambivalence about Lebanon in the American Jewish community, even within pro-Israel political action groups.

To some extent bad news for Israel was good news for the Palestinians, but it appeared that the game was not entirely zero-sum. In United States public opinion polls, support for Israel dropped but support for the PLO, the Palestinians and the Arabs did not appreciably rise. The United States government remained doggedly committed to the Kissingerian prohibition on negotiation with the PLO until it recognized Israel, and it opposed Arab-sponsored measures to force Israel out of United Nations agencies.

LOSSES IN THE REGION

For the Palestinians and their supporters, the massacre brought to a brutal end the brief euphoria that had accompanied the successful evacuation of the PLO fighters from Beirut. Would Palestinian losses in Lebanon prove to be fatal to the PLO as an institution, and thus vindicate the Israelis in their strategy? Would a weakened PLO be pressured to make major unilateral concessions? Would the Palestinians win a degree of self-rule in some part of historic Palestine? Or might the PLO follow the "Black September" model and embark on a campaign of subversion, terrorism and violence against Israeli, American and Arab targets?

The human costs of the war in Lebanon to the Palestinians will probably never be known. Palestinian sources in Beirut reported casualty figures far higher than those reported by the Lebanese authorities and the Western press, and far higher than the minimal damage admitted by the Israelis. Palestinian sources assert that the death toll in the Sabra and Shatila massacres was at least 4,000—not just the several hundred reported in the Western press. Stories of Palestinian massacres in South Lebanon, in places closed to the

news media but under Israeli military control, suggest that even larger numbers were slaughtered there. The overall death toll from the summer of 1982 ranges from the figure of 17,850 compiled by the Lebanese authorities¹ to an estimate of at least 30,000 offered by Palestinian sources. According to medical personnel the overwhelming majority of the dead were civilians.

The military losses suffered by the Palestinians were also considerable.² At least 2,000 militiamen were imprisoned in the Ansar prison. Vast stocks of weapons and ammunition were seized by the Israelis and the Lebanese military authorities. However, the PLO as a fighting force was not completely destroyed. At least 6,000 regulars were evacuated from Beirut under the American-sponsored agreement, and at the end of August an estimated 10,400 Palestinian fighters had been relocated in eight Arab countries. There also remained perhaps 3,000 in the northern Bekaa valley of Lebanon. The essential force and command structure remained intact, and there was little doubt that material could be quickly replaced. But the key strategic losses did not appear to be immediately recoverable: the loss of proximity to Israel and the occupied Palestinian territories, and the loss of effective sovereignty over a small but important area in Lebanon in which the sociopolitical infrastructure of a future Palestinian state might have grown. The loss of this quasi-sovereign area was likely in turn to limit the independence of the PLO; henceforth, it would have to develop its freedom in the interstices of inter-Arab relations.

Perhaps the most serious long-term loss was the destruction of the social, economic and cultural institutions that the Palestinians had been building in Lebanon since the late 1960's. Even if the evacuation agreement worked out by Ambassador Habib had been honored by the Israelis, no reestablished Lebanese government would have permitted the unfettered continuation of these organized Palestinian activities. The Samed industrial organization, which had supported perhaps 50,000 Palestinians, was destroyed. The mechanisms for dispensing social insurance were destroyed. The Palestinian Red Crescent health service, which had provided free medical care to tens of thousands of Lebanese as well as Palestinians, was destroyed. Gone were the Palestinian mass media: radio stations, newspapers and magazines; moreover, the major research and intellectual institutions were

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¹*The New York Times*, September 2, 1982.

²Helena Cobban, a British journalist who has studied the PLO carefully, suggests that around 1,000 regular fighters and 600 militiamen may have been killed.

"The dilemma for would-be peacemakers is that when stripped to the bare essentials the positions of the Arab states and Israel have been fundamentally incompatible ever since Israel was created. . . . The main hope for progress is either a grand gesture of some sort or a new approach that might lead to a solution without confronting some of the seemingly intractable problems."

Israel and the Peace Process

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IN the last year, Israel has learned more about the difficulty of converting military prowess and success into political gains. The conclusion of the peace treaty with Egypt, tied to the future of the West Bank and Gaza by the terms of the Camp David accords, required a shift of focus toward Palestinian autonomy, one of the main objectives of those negotiations. It was in Israel's interest to achieve the autonomy agreement contemplated at Camp David, which called for the participation of some of the inhabitants of the areas in question and the cooperation of Jordan. The Palestine Liberation Organization (PLO), based in Lebanon, opposed the Camp David objectives because its professed goal is to replace both Israel and Jordan as sovereign in the territory that it regards as "Palestine," which includes the land from the Mediterranean Sea to the eastern border of Jordan.¹ Whether a homeland or a state on only a small portion of that territory would ever be permanently acceptable is a matter of continuing and intense debate within and without the PLO.² Because implementation of the autonomy plan would be a serious political setback to its goal of statehood, the PLO pressured the residents of the disputed territories to avoid participation in the negotiating process and pressured Israel by continued military and terrorist threats from Lebanon.

The attempted assassination of the Israeli ambas-

sador to Britain in June, 1982, offered Israel an opportunity to attack the PLO in Lebanon. From Israel's perspective, however, the results of the war were ambiguous. Israeli opposition to the war was given a boost by the reaction to the murders of several hundred Palestinian Arabs in Shatila and Sabra by Lebanese Christian militia forces in September, 1982. Israel's military presence in West Beirut, for the avowed purpose of preventing anarchy, raised questions concerning Israeli responsibility for the massacre that remain to be answered by the judicial inquiry established by the Israeli government.

But whatever the outcome of the inquiry, the war against the PLO and its aftermath in the Palestinian areas of Beirut left Israeli politics in turmoil and confusion. Although the government retains much popular support, its political effectiveness has been diminished, and the opposition, both within the Knesset and without, is fighting the government with increased intensity.

The external costs of the war have also been high. Israel's military offensive caused dismay in many quarters, especially among European governments, although the administration of United States President Ronald Reagan displayed considerable understanding and sympathy for the aims, if not always for the means. In other parts of the world, where hostility toward Israel has frequently been a cardinal principle of foreign policy (especially since 1967), the outcry was predictable. The net result was the increased isolation of Israel in the international community, a trend that was aided by world press and electronic media that were antagonistic toward Israel and seemed to single out Israel in a manner not comparable to media treatment of actors in other international crises.³ Moreover, the positive disposition of the United States toward Israel's actions was partially dissipated by what was perceived as the excessive Israeli use of force toward the end of the war and by the debacle of the massacre.⁴ Clearly, Israel will face very formidable challenges in the aftermath of its incursion into Lebanon against the PLO.

¹David Bernstein, "A Friendship Renewed—Warily," *The Jerusalem Post International Edition*, October 17-23, 1982, p. 1, argues that meetings between King Hussein and Yasir Arafat, in which there was talk of a possible Jordanian-Palestinian confederation may just be a smokescreen for unchanged PLO objectives.

²Yehoshafat Harkabi, "The Evolution of the Palestinian Movement," in George Gruen, ed., *The Palestinians in Perspective* (New York: Institute of Human Relations Press, 1982), p. 63.

³Edward Alexander, "The Journalists' War Against Israel," and Melvin J. Lasky, "Embattled Positions," *Encounter*, vol. 51, nos. 3-4 (September-October, 1982), pp. 87-97 and 102-106.

⁴The decline in public opinion support for Israel is shown in "Newsweek Poll: Israel Loses Ground," *Newsweek*, October 4, 1982, p. 23.

Israel's experience as a besieged state has prepared it to utilize military force in an era when states are at least nominally committed to the peaceful settlement of disputes. Several wars for national survival in the decades that followed the destruction of defenseless millions of Jews in Europe, along with a perception of continuing threats from neighboring countries, have led Israel to include military options as an ongoing feature of the foreign policy process.

When it launched the attack on the PLO in June, 1982, Israel had several objectives, some military and some political.⁵ Its major military objectives were to achieve security for northern Israel, to destroy the PLO infrastructure of a state within the state of Lebanon, to eliminate the center of international terrorism, and to expel the PLO from Lebanon so that it could no longer threaten Israel again from that direction.

Israel's political objectives were more complex and subtle. It was most important to weaken the PLO politically in order to lessen its influence on the local Arabs of the West Bank (Judea and Samaria) and the Gaza Strip. Israeli planners believed that the prospects for progress on the stalled autonomy talks envisaged in the Camp David accords would be enhanced if the inhabitants of the occupied areas were not subject to influence, intimidation, threats, and even violence emanating from the PLO based in Lebanon.⁶ Israelis believed that the people on the scene were more pragmatic than the PLO leadership and less ideologically committed to PLO goals, and that they were inhibited with respect to participation in the autonomy talks by their fear of the PLO. The Israelis reasoned that if the PLO were defeated in Lebanon and if its infrastructure were destroyed, its ability to operate effectively in other regions would be sharply reduced.

There were also less important political considerations. The restoration of public confidence in the Israel Defense Forces (IDF), reduced by the debacle at the outset of the Yom Kippur War, would be a useful by-product of a successful military operation. A military victory would also be a reminder to friend and foe alike that the military option is not really available to the Arabs and that they would see the necessity of negotiations.

Another objective was to influence the direction of

⁵There is a significant debate over whether Israel had political goals in the war. Deputy Foreign Minister Yehudah Ben-Meir flatly denied this contention in a speech at Montreal on October 22, 1982. Two views of how objectives changed as the war progressed are found in Aharon Yariv, "Unfinished Business," *The Jerusalem Post International Edition*, October 3-9, 1982, p. 15, and Robert W. Tucker, "Lebanon: The Case for War," *Commentary*, vol. 74, no. 4 (October, 1982), pp. 19-30.

⁶Tucker questions this view, *op. cit.*, p. 25.

⁷David Ignatius, "U.S. Risk in Lebanon Seen Escalating," *The Wall Street Journal*, October 11, 1982, p. 25.

⁸Tucker, *op. cit.*, p. 19.

political developments in Lebanon.⁷ In the Israeli view, the presence of the activist PLO had destabilized Lebanon's fragile political system and had weakened the political power of the Christian communities. The Israelis hoped for the resurgence of the Christians—a possibility if the PLO could be forced out of Lebanon—because they believed that a Christian resurgence would make it possible to reestablish the peaceful border that existed before the PLO took over southern Lebanon. Moreover, a friendlier government in Beirut would mean a significant strategic improvement. Unfortunately, Israel relied too heavily on Bashir Gemayel, whose assassination damaged the prospects for a rapprochement between Lebanon and Israel.

For the most part, Israel's military objectives were achieved. The PLO was defeated; its political, military and terrorist infrastructure was destroyed; and the threat to Israel's northern region was removed. Israel's general strategic situation also improved.⁸ But because Israel is weak politically in the international context, it is not always able to translate military victories into political gains. In all its previous wars, Israel prevailed militarily, but its military gains were at least partially neutralized by its inability to prevail in the subsequent political conflict. Thus the possibility that Israel would achieve major political objectives in the 1982 war was greeted with skepticism by many observers.

In 1982, political objectives were realized only partially while Israel incurred high political costs because of the very negative publicity connected with its conduct of the war. In particular, Israeli leaders were mistaken in their belief that it would be easier to conclude the autonomy negotiations after the defeat of the PLO in Lebanon. The introduction of the Reagan Middle East peace plan undercut what little incentive remained for the resumption of the autonomy talks, especially with the broader representation of the Palestinian Arabs and Jordan.

Another development that affected Israel adversely was a change in the role and standing of the PLO. Despite the military losses that shattered its bravado and may have undermined whatever unity of purpose it had, the PLO probably gained from the war in Lebanon. The Palestinian cause received a tremendous boost by virtue of the sharp juxtaposition of its position and that of Israel and the outpourings of sympathy that accompanied the casualties. And the PLO continued to be identified as the Palestinian spokesman. The events of the summer of 1982 made it easier for Western political elites to speak seriously about the possibility of the creation of a Palestinian state. In addition, the homelessness of the refugees (which, it might be argued, has been caused by the refusal of Arab states to integrate them over the years) was accentuated in a way that focused responsibility on Israel. Paradoxically, in this situation Israel might be able to bypass

the PLO in a settlement of the Palestinian problem, if the incentives are great enough for Israel and for the Palestinian Arabs. Even if the PLO has been weakened as an organization and even if its internal contradictions begin to surface, any strengthening of the Palestinian cause will be viewed with concern by Israel.

One of the most serious effects of the war may well be political. The Labor opposition led the way; party leader Shimon Peres frequently expressed his opposition to carrying the war into Beirut, while other critics opposed the military operation altogether. In the wake of the Beirut massacre, opponents of Prime Minister Menachem Begin's regime coalesced in a call for the resignation of the government, an appeal that won a great deal of support in an already divided political system. But Labor could not win the support of a majority of the population.⁹

Insofar as Israel is concerned, the overall effect of the war against the PLO has been mixed. On the positive side are undoubted military gains at the expense of Syria and the PLO, the prospect of an improved situation in Lebanon, a weakened PLO, and enhanced security in the north. On the negative side are a further decline in Israel's international political position, increased sympathy and support for the Palestinian cause, increased internal dissent and more intense political opposition, an unwanted American initiative, and the jeopardizing of Israel's relations with Egypt and the United States.¹⁰

Whether the benefits outweigh the costs may not be determined for many years. If Israel's action in 1982 guaranteed its security in the north and helped to pave the way for a settlement on the central front without the involvement of the PLO, then the effort was probably worthwhile. But if increased sympathy for the Palestinian cause leads to more pressure for an independent Palestinian state, then the Israelis probably lost more than they gained.

AFTER LEBANON

Israel's long-range foreign policy goals have not changed, although the events of 1982 stimulated considerable analysis and debate.¹¹ Israel's primary aims are to preserve and enhance national security and to achieve peace with neighboring countries. National se-

⁹"How Public Would Vote," *The Jerusalem Post International Edition*, October 3-9, 1982, p. 2, shows that opinion polling after the Beirut massacre still gave the Likud half the vote, with the rest split.

¹⁰Tucker, *op. cit.*, pp. 25-28.

¹¹The goals of Israel's foreign policy are explored in greater detail in Harold M. Waller, "Israel's Foreign Policy Challenge," *Current History*, vol. 81, no. 471 (January, 1982), pp. 18-21.

¹²A fine comparison of the two perspectives is Shlomo Avineri, "Territory and Security," *The Jerusalem Post International Edition*, September 26-October 2, 1982, p. 11.

¹³Wolf Blitzer, "Back from the Brink," *The Jerusalem Post International Edition*, October 3-9, 1982, p. 3.

curity has been a preoccupation of all Israeli governments since the founding of the state. But concern with matters of peace is relatively recent, because except for Egypt, Israel's neighbors have implacably opposed the idea of peace with Israel. Between 1967 and 1977, the idea of peace was seriously considered because Israeli control over considerable territory raised the possibility of the trade of territory for peace, as envisioned in United Nations Security Council Resolution 242. Once the Israeli-Egyptian peace treaty became reality, the need to consider the requirements for peace with other neighbors became inescapable, especially when external pressures for progress on the peace process became stronger.

The Likud's accession to power in 1977 led to a shift in policy. The government continued to support Resolution 242; nonetheless, the notion of a straight trade of territory for peace on the Jordanian and Syrian fronts was modified. According to the Begin administration, the long-term prospects that real peace could be achieved in this manner seemed very slim; the security risks involved in such a trade seemed too great; and the intrinsic importance of some of the areas in question received new emphasis. Consequently, the Begin government developed a new approach to peace, specifically, the autonomy plan. Begin preferred autonomy as a long-term solution, but agreed to accept it as an interim model at Camp David.

Should Labor regain power in Israel, the government would probably return to earlier positions. Although both Labor and Likud would like to achieve peace, they differ on the shape of the optimum solution, the means to achieve it, and the assessment of the possibility of obtaining genuine Arab agreement, while they concur on the dangers to Israel that are inherent in Palestinian statehood.¹²

In the intermediate term, many Israeli objectives have suffered in the past months. The bilateral relationship with the United States must be repaired. Begin has had to deal with two U.S. Presidents, Jimmy Carter and Ronald Reagan, and he has faced serious problems with both. He has taken the view that he must risk antagonizing Israel's closest friend if vital Israeli interests are at stake. The result has been a series of contretemps. Despite the official displays of United States anger (like the administration's statement in August, 1982, when Israel was bombing a besieged Beirut in order to increase pressure on the PLO), the American-Israeli relationship appears to have great resilience.¹³ Whether it will remain so indefinitely is in doubt, but for the moment efforts to repair the damage seem to be at least moderately successful.

Israel also must be careful of its relationship with Egypt. The fragility of the ties was accentuated by the recall of the Egyptian ambassador to Israel in September, 1982, after the massacres in Beirut. The peace

treaty with Egypt and the subsequent peaceful ties constitute Begin's crowning foreign policy achievement, and he can ill afford to see them deteriorate. Egypt's President Hosni Mubarak knows this and has threatened a change in Egypt's policy. But apparently Begin believes that in the absence of any direct Israeli provocation against Egypt, Mubarak will not risk the peace in order to gain favor with other Arab countries.

Israel must also try to negotiate a withdrawal of all Syrian, PLO, and Israeli forces from Lebanon and to resist external and internal pressure to settle any aspect of the Arab-Israeli conflict on terms that are perceived to be unfavorable. Despite unquestioned Israeli military superiority, the latter is a formidable task because Israel is widely perceived to be excessively stubborn regarding the substance of negotiations. Israel believes that its critics underestimate the dangers that it faces and are therefore insufficiently sympathetic to its security needs, for which it has the ultimate responsibility.¹⁴

Despite the close 1981 election, where Likud and the Labor Alignment were deadlocked in terms of vote percentages and parliamentary seats, Prime Minister Begin retained strong control of the political system because other parties in the Knesset preferred a coalition with him rather than with Labor. Therefore, even though the coalition held only a slim majority in the Knesset, the nature of the party and the election system gave Begin some stability, barring defections from the coalition. Still, he is anxious to reduce his reliance on the smaller parties, which exercise a great deal of leverage. Polls taken in the 18 months since the 1981 election indicate that the popularity of the Likud alliance has increased and that events in Lebanon did not have a major effect on voter preferences.¹⁵ Whether that will change when voters have more time to reflect remains to be seen. The unease in the National Religious party, a key coalition partner, had become palpable by the fall of 1982.¹⁶ And Begin found himself in a difficult position because of the demands of the Agudat Yisrael, another coalition partner. Thus the prospects for change seemed greater by the end of 1982 than they had a year earlier.

Begin's retirement or disability, which are impossible to predict, cannot be discounted in a man of his age and physical condition. And new elections or the re-

placement of Likud by a Labor government, based on shifts by smaller parties, would also spell political change. Labor, which recognizes its electoral weakness, would like to engineer the disintegration of the existing coalition and the formation of a new coalition with Labor dominant. Its efforts have come to naught, but the possibility that it might succeed cannot be excluded. Despite the reluctance of several parties, early elections may be forced on the administration. While the war was under way, there were indications that Begin was planning an election for the spring or late summer of 1983, two years earlier than required. The furor over the Beirut massacre has probably made new elections essential, even though the timing would be more difficult because of a possible connection between the report of the judicial inquiry commission and the election. However, Begin has indicated that he wants to make the next election a kind of referendum on the Reagan plan, with the Labor Alignment's Jordanian option depicted as being in accord with that plan. Until that election, Begin would certainly try to avoid any concessions in the peace process, adhering to the position that he staked out when he heard about the plan.

In the political calculus, Labor is severely handicapped by the demonstrable lack of popularity of its leader, Shimon Peres. The Alignment's electoral position has also been weakened by the ongoing feud between the Peres faction and the faction led by former Prime Minister Yitzhak Rabin. Labor should find a new leader but, in the absence of a clearly popular alternative candidate, a change in the leadership seems unlikely. The only person who has received much attention in this connection is President Yitzhak Navon, a former Labor politician who now holds the ceremonial and non-political presidency. His term expires in May, 1983, but he has given no clear indication of whether he wants a second term (which Begin might not approve), retirement, or a return to active politics. Should Navon decide to seek the leadership of the Labor party, the political situation could change significantly, especially since his Sephardic origin presumably would enable him to make inroads among voters who have been strongly pro-Begin and Likud in recent years.

Two other political issues merit attention. The first of these is the role of extra-parliamentary groups, like the Peace Now movement. These groups have their ups and downs, but they apparently revived during the protests of the summer and early fall of 1982. Insofar as they claim that the party system does not allow enough options concerning the vital issues of war and peace, they could become a potential electoral threat, given the ease with which new party lists can be formed at election time. So far there is no indication that they will follow that route.

The second issue, an imponderable one, is the effect

¹⁴President Ronald Reagan, in his address on September 1, 1982, went out of his way to try to reassure Israel that its security interests were paramount in the formulation of his plan.

¹⁵"How Public Would Vote," *op. cit.*

¹⁶Mark Segal, "Moral Values and the Use of Force," *The Jerusalem Post International Edition*, October 3-9, 1982, p. 13, is an interview with Education Minister Zevulun Hammer, an NRP (National Religious party) minister. See also Rochelle Furstenberg, "New Questions at the Yeshivot," *The Jerusalem Post International Edition*, October 3-9, 1982, p. 14, and "NRP's Loyalty Pledge," *The Jerusalem Post International Edition*, October 17-23, 1982, p. 9.

of the report of the judicial commission of inquiry. Although one cannot predict the findings, they will almost surely be injurious to the government, even if Begin successfully turns an unfavorable report to his advantage in an election campaign.

Since the completion of the Israeli withdrawal from the Sinai early in 1982, the negotiations of the autonomy plan envisaged in the Camp David accords have been deadlocked because Israel and Egypt cannot agree on the nature of the autonomy and because neither Jordan nor representatives of the local Palestinian inhabitants of the West Bank and Gaza have been willing to join the talks. If the war against the PLO was in part an attempt to diminish its veto power over the autonomy negotiations, then it was only partly successful. With Israel on the defensive politically since the war, the chances of obtaining a satisfactory agreement on the nature of the autonomy are slim, at least for a while. It was partly in response to this impasse that President Reagan launched his own initiative, a major departure from the Camp David framework; in the Reagan plan,* the five-year transition period is essentially rendered meaningless and the outcome of the negotiations regarding the final status of the territories is effectively predetermined.

Regardless of the merits of the Reagan plan, it obviates the autonomy negotiations as they were envisaged at Camp David, where a key objective was to delay negotiations regarding a permanent settlement of the status of the West Bank and Gaza until a cooling-off period of five years had demonstrated that the parties concerned could live together in peace. It was assumed that after five years concessions from all the participants might be more readily forthcoming. Hence the autonomy plan was to be an interim arrangement.

The Camp David partners deliberately avoided any decision about arrangements to be made at the end of the five-year interim period. What President Reagan did last September was to short-circuit the interim autonomy plan and move directly to the outlines of a permanent solution that hinges upon the position of Jordan.¹⁷ It sets the President against Prime Minister Begin, whose government clearly is not prepared to concede the possibility that the West Bank and the Gaza strip might be put under Jordanian tutelage for the purpose of granting autonomy to the Palestinian Arab inhabitants. Further, despite Reagan's explicit rejection of the idea of a Palestinian state, the nature of his plan apparently does not exclude the possibility

that a new Palestinian state might result. Israel is unalterably opposed to a Palestinian state in the West Bank and Gaza because it believes that a security threat could not be avoided under such circumstances.

The Likud position, articulated by the Prime Minister, prefers the Israeli retention of the disputed areas but contemplates the possibility of autonomy if Israel retains security control. The Labor opposition, in contrast, is willing to consider Jordanian sovereignty over the populated portions of the territories and demilitarization of the parts returned to Jordan. But neither of the major political groups is prepared to accept the possibility of an independent Palestinian state west of the Jordan River, one which would probably come to be dominated by the PLO; and both Israeli groups insist on retaining security control west of the Jordan in one fashion or another. Likud and Labor differ in their response to the Reagan plan because of their different assessments of the likelihood that an independent Palestinian state would emerge if the Reagan plan were to be implemented.

The initial Israeli responses to the plan were confused. The government rejected it out of hand in a move later endorsed by the Knesset. The Labor Alignment expressed support for some elements of the plan because the basic concept resembled its own Jordanian option, essentially a new partition of Mandatory Palestine west of the Jordan River but east of the 1949 armistice lines, with Israel retaining strategic control of the territory west of the river. The Prime Minister, for his part, remained steadfast in his support for the Camp David concepts, namely the five-year transitional period followed by negotiations for a definitive settlement. Although he has made it clear that Israel would assert its claim to sovereignty over the West Bank and the Gaza district, Begin would assert his claim in the context of negotiations to which Israel remains committed. It is doubtful that the other parties to those negotiations would accept such a claim; thus the negotiations might well yield an outcome other than that preferred by Israel. But for the moment, the chance that second-stage negotiations will take place seems remote because of the first-stage deadlock. To be sure, that is precisely the situation that the Reagan plan is designed to remedy.

The Arab response, whether at the Fez conference or from Jordan, tended to be somewhat vague on matters of vital interest to Israel.¹⁸ Nothing that was said could be construed to be a sufficient inducement

(Continued on page 34)

*See page 33 of this issue.

¹⁷Israel opposes the plan for a number of reasons, including the positions on the nature of the autonomy, Jewish settlements, security provisions, the final status of the territories, Jerusalem, and the role of Jordan.

¹⁸Howard Adelman, "Begin, Reagan and Fez," unpublished paper.

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"In one year Lebanon has endured an Israeli invasion and occupation, the siege of Beirut . . . the withdrawal of the PLO . . . the assassination of a President-elect . . . and Western troops landing twice to help impose order. Any one of those events would have been traumatic; together they have put an immeasurable burden on any hopes for the reemergence of an independent Lebanese state."

Lebanon in Despair

BY WILLIAM W. HADDAD

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ISRAEL invaded Lebanon on June 6, 1982, attacking along the coast and up the Bekaa Valley toward the Beirut-Damascus highway. Within six days the Israeli Army, with overwhelming air and naval support, was able to defeat the Palestinian-Lebanese leftist alliance, to occupy virtually all of Lebanon south of the highway, and to trap the PLO (Palestine Liberation Organization) leadership and its military in Beirut.*

The pretext for the invasion was the attempted assassination of Shlomo Argov, Israel's ambassador to Britain. Although the PLO denied any responsibility for the attack (and all evidence lends credence to that denial) Israel was determined to remove the Palestinians from its northern border. In a letter sent to United States President Ronald Reagan, Israeli Prime Minister Menachem Begin stated that Israel's objective was to clear a 25-mile zone in Lebanon. However, when that goal had been achieved, the Israelis continued their march. It became clear that Israeli Defense Minister Ariel Sharon wanted to remove all Palestinian fighters from Lebanon, destroy the Palestinians' Lebanese allies, and dictate the outcome of the Lebanese presidential elections scheduled for August.

On the coastal front the Israeli air force and navy bombarded the cities of Tyre, Sidon and Damour while the army moved up in armored vehicles. Caught in the battle, tens of thousands of civilians became refugees. As the Israelis advanced they dropped leaflets on the coastal cities urging their populations to gather on the beaches to avoid being killed. In Tyre, where 41,000 people responded to these directions, they spent over two days outdoors without food or water. In attacking, the Israelis used cluster bombs (CBU's) and shells containing white phosphorous. The former weapon is particularly deadly because it opens into hundreds of small bomblets that can saturate an area of 10,000 square feet and cause considerable casualties.

To the east the Israelis pushed northward through

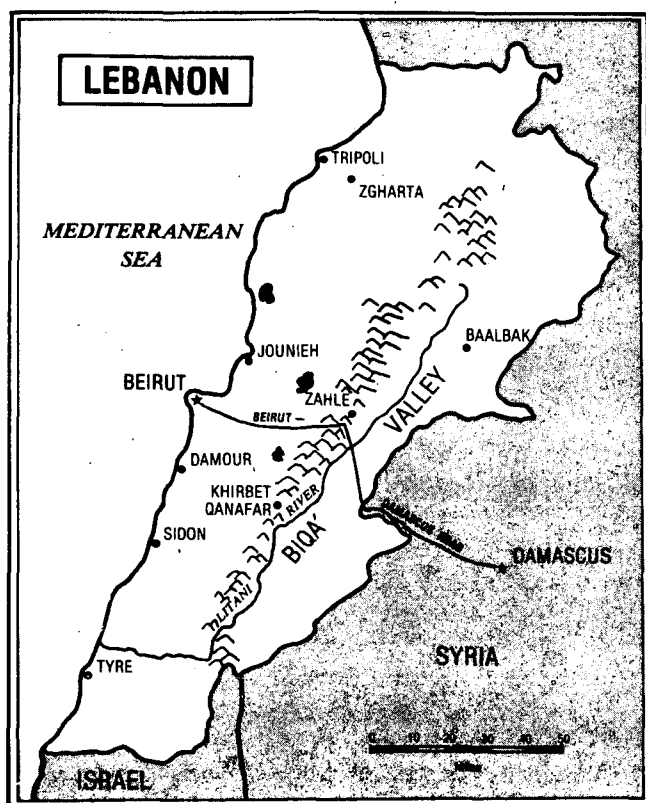
the Bekaa Valley along the Litani River. The valley was defended by Syrian forces under a 1976 agreement between Damascus, Israel, and the United States. Syria had based its defenses of the valley largely on surface-to-air missiles (SAM's) and these were quickly neutralized. Israel knocked out the Syrian radar command center, leaving the SAM's virtually blind, and used glowing heat balloons to confuse the heat-seeking missiles. With this advantage, Israel was able to use its American-supplied weapons to deal a stunning blow to Syria's Soviet-supplied armament. As the Israelis moved northward, Syria rushed in reinforcements and the Israeli offensive bogged down just south of the Beirut-Damascus road.

By June 14 the war entered its second stage. Israel was determined to end the Palestinian military presence in Beirut and to capture the tons of arms cached by the PLO throughout the capital. The siege of Beirut culminated in the evacuation of the PLO leadership and guerrillas from the Lebanese capital and the defeat of the Palestinians' Lebanese allies.

If there is a theme in the history of Lebanon it is that the country has served as a refuge for religious minorities. The Maronite Christians, as well as the Druze and Shiite Muslims, are not part of the mainstream of their respective religions. Each has tended to keep to itself and to pledge primary loyalty to its sect rather than to the modern invention, the nation-state. This clannishness was institutionalized during the Ottoman period with the millet system, the organization of minorities into religious groups. Though the sects that comprise Lebanon ordinarily cooperated, there were many instances of communal warfare, i.e., in the late 1830's, in 1860, and in 1958.

This legacy of separateness was reinforced during the French colonial period between the two world wars. The French thought that Lebanon was a state in which Christians would dominate and in which other religious groups would have less influence. When a Sunni Muslim demanded the right to be a presidential candidate, the French permitted a census in 1932. That census, in which Christians outnumbered Mus-

*The author wishes to thank Professor Jamal Nassar for his suggestions during the writing of this article.



lims 6 to 5, became the basis for the allocation of power.

When Lebanon became independent, the ratio of 6 to 5 provided the foundation of the Lebanese confessional system, in accord with which the two largest sects, the Sunnis and the Maronites, divided political power. The National Pact of 1943 allocated political offices according to sect size, and the number of offices held by each sect was determined by the 1932 census. The Maronite community was dominant. Next in importance were the Sunni Muslims, followed by the Shiites and the Greek Orthodox. Supporters of the National Pact argued that, given the fragmented state of Lebanese society, the confessional system was an effective way of smoothing over differences and allowing for the emergence of an independent and democratic state. Critics of the pact argued that it was a business deal. The Maronites had close ties with West Europe and could serve as procurers of Western goods, which would be transferred by the Sunni Muslims to their coreligionists in the Arab world. Further, it effectively froze other sects from power.

Whatever the merits of the respective interpretations (and both contain elements of truth), Lebanon's problems grew in the 1950's and 1960's because those

¹For a more detailed exposition of the contending sides, see Iliya Harik, "Lebanon: Anatomy of Conflict," *American University Field Staff Reports*, no. 49 (1981); Marius Deeb, *The Lebanese Civil War* (New York: Praeger, 1980); and William Haddad, "Divided Lebanon," *Current History*, January, 1982, pp. 30-35.

who had benefited from the National Pact refused to alter it. By the 1970's, the Shiites, the third largest sect according to the 1932 census, had become the largest. Repeated attempts by the Shiites to take a new census or, failing that, to increase their numbers in Parliament, were strongly opposed.

The demographic changes and the problems they created were compounded by economic problems. The Maronites and the Sunnis had benefited economically from their political power. The government in Beirut seemed unable or unwilling to respond to the needs of its own people, particularly in the south where many of the mostly Shiite poor lived. The result was the outbreak of civil war between the "haves" (the Right) and the "have nots" (the Left) in 1975-1976.

THE 1975-1976 CIVIL WAR

Although the Lebanese civil war erupted for legitimate economic and political reasons, its course was ultimately determined by the Palestinian question. Refugees from Palestine came into Lebanon as early as 1947. Their numbers were augmented in 1971 when thousands fled Jordan's civil war. The introduction into Lebanon of perhaps 500,000 Palestinians increased tensions in three main areas. The majority of the Palestinians were Muslims whose presence posed a threat to Maronite Christian hegemony. Though the Palestinians consistently argued that they did not want to settle in their host country, many Lebanese feared the temporary status of the newcomers would become permanent. Furthermore, the Palestinians formed a natural alliance with the Left. Both groups were concentrated in the south. When the Palestinians began to arm themselves in the late 1960's, seeking to fight to regain their lost homeland, Israel held the Beirut government responsible for controlling guerrilla activities. Thus the Palestinian presence in Lebanon brought active Israeli attacks against Lebanon.

The 1975-1976 civil war was perceived differently by the opposing sides. For the rightists, the war was fought to remove the destabilizing Palestinian influence. They argued that if the Palestinians were disarmed Lebanon's problems would end. The leftists fought for increased political and economic power.¹

The country quickly divided into sides, the leftist-Palestinian alliance of poor Shiites, some Sunnis and some Christians. On the other side was the mostly Maronite alliance, which included some poor Christians and Muslims. As the Left perceived the war, an economically deprived group that lagged behind politically was forced to take to the streets because its pleas were ignored by those in power. The rightists felt that there was nothing wrong with the Lebanese system and that Lebanon's problem was the Palestinians.

When civil war broke out, the PLO seemed obligated to come to the aid of its leftist allies, although

this gave credence to the rightist contention that the root of the war was in fact the Palestinians. Thus the civil strife turned into a contest over the presence of the Palestinians in Lebanon.

Once the Palestinians joined the fighting, the war became internationalized. The very real causes that had sparked the conflict were subordinated to regional and global issues. Lebanon in effect became the battleground for disputes not of its own making. Conservative and radical Arab states supported opposite sides, and of course the superpowers chose their champions.

By the spring of 1976, tens of thousands had been killed in increasingly brutal and seemingly pointless bloodletting. The Left and the PLO finally gained the upper hand, and in order to prevent a pro-Palestinian Lebanon, the United States, Israel and Syria agreed to allow Syria to enter the country. A week after Syrian troops arrived to end the fighting the Arab League provided additional troops, creating the Arab Deterrent Force (ADF). The Syrian-dominated ADF separated the Right, with its territorial enclave around Jounieh, from the Left. Beirut was divided into West and East, with the rightists gaining the East. Portions of the PLO remained in Beirut, but most of the fighters were forced to return to south Lebanon.

In the south, the PLO was caught between Syria and Israel. Israel bombed Palestinian refugee camps and military outposts and in March, 1978, invaded Lebanon in an attempt to crush the PLO. This attempt failed when the Palestinians put up a spirited defense and the international community pressured Israel to withdraw. Israel complied, but it turned over to a Lebanese army renegade, Major Saad Haddad, a seven-mile-deep buffer zone. Haddad's assignment was to keep the Palestinians from infiltrating Israel's border. The United Nations demanded that Israel return all its conquered territory to the Lebanese government and sent the 7,000-man United Nations interim force in Lebanon (UNIFIL) to oversee the reintegration of the southernmost part of Lebanon. UNIFIL was never able to accomplish its mission, but settled into place just north of Haddad-land up to the city of Tyre. And the Palestinians were just north of UNIFIL.

The Israeli invasion of 1978 forced the Syrians to change their course. They had to enter Lebanon in 1976 to prevent a Palestinian-led victory in the civil war, because they feared a pro-Palestinian government in Beirut would drive the Syrians into a war with Is-

rael. However, the Israeli attack on the Palestinians in 1978 was even more ominous. To prevent an Israeli victory, the Syrians began to support the Palestinians more actively, while the rightists sought an accommodation with Israel. The new alliances in 1978 were more natural. Syrians and Palestinians identified their primary enemy as Israel; the rightists and the Israelis perceived clearly that their main adversary was the Palestinians.

Unable to fulfill its goals in 1978, Israel waited for a pretext to re-invade Lebanon to destroy the PLO. It counted on rightist support.

The Right is led by the Phalangist party. The party was founded in 1936 by Pierre Gemayel and he passed control of it to his two sons, Amin and Bashir. The latter particularly was obsessed with the Palestinians and blamed them for all of Lebanon's problems. Israel's Prime Minister Begin was also obsessed with the Palestinians. He encouraged the Phalangists and has given the rightists \$100 million in economic and military aid in the last five years.

The Israeli invasion in June, 1982, destroyed the Palestinian leftist alliance. Embarrassingly, UNIFIL was also swept aside. The PLO presented the only credible defense but, except for small pockets of resistance, it was also quickly pushed into Beirut.

Most of the destruction in the fighting was caused by Israeli air attacks. The Palestinian refugee camps throughout the south were destroyed, and survivors lacked medical attention. This was especially true in the camps, where nothing was left standing and the people were forced to sleep in bombed-out buildings or in orchards. Diarrhea and skin diseases were rife. Credible estimates of the number of refugees varied from 100,000 to 200,000.² In Tyre and Sidon, the Israelis gathered all males between the ages of 16 and 60 and had hooded informers point out suspected leftists or Palestinian guerrillas. The Israelis turned a citrus factory in Sidon into a prisoner-of-war (POW) camp, though they refused to give their detainees prisoner-of-war status as provided for in the Fourth Geneva Convention. By July, the International Red Cross had gained access to the 7,000 POW's who remained in custody after repeated international calls that those detained be accounted for and charges brought against them.³ The death toll in the south was between 5,000 and 7,000.⁴

The economy of the south was obliterated by the invasion. Agricultural products of the south were destroyed, the economies of the largest cities were in shambles and many workers were dead or in detention. Israel permitted no fishing and no imports by sea. However, the Lebanese are encouraged to go into Israel for international flights and to export or import goods through the port of Haifa.

The fighting in the southwest quadrant of the country was not nearly so destructive because of the area's

²*The New York Times*, July 18, 1982, p. A1; *The Christian Science Monitor*, July 29, 1982, p. 6, and September 16, 1982, p. 7. There was a battle over the actual number of refugees; for example, *The Village Voice*, June 22, 1982, p. 1, which was sympathetic to the Palestinians, cited the figure of 700,000, while some Israeli sources put the total at 20,000.

³*Amnesty Action* (Amnesty International, U.S.A.), July/August, 1982, p. 3.

⁴*The Christian Science Monitor*, July 8, 1982, p. 9.

agricultural base. Nonetheless, there was some heavy fighting, including massive air battles. Syrian aircraft and antiaircraft missiles were virtually all destroyed, and Israel is firmly in control. Practically untouched in the Israeli attack was the northeast portion of Lebanon, which is under the control of 30,000 Syrian troops and perhaps 10,000 PLO guerrillas, allied with Suleiman Franjeh, the former Maronite President, and his Sunni ally, Rashid Karami. They have control of the area from Tripoli north to the Syrian border. Though this area escaped relatively unscathed, tension remains high. If the PLO and the Syrians withdraw from Lebanon, Franjeh and Karami would be no match for the victorious Israelis and the Lebanese Right.

THE ATTACK ON BEIRUT

The Israeli invasion of Lebanon halted quickly when the Israelis approached the Beirut-Damascus road but continued for two months around Beirut. Stopping at the entrances to the city, Israel expected the rightist Lebanese to go in and finish off the PLO. Bashir Gemayel, leader of the rightist militias, wanted to be President more than he hated the Palestinians. And to be President, he needed the support of the Muslims who lived in the capital and the Arabs who surrounded his country. West Beirut is *the* Beirut and it is the capital of an Arab country. The greatest Arabic newspapers are published there. It is the home of the American University of Beirut, which has educated many Muslim Arab leaders, especially those in the Persian Gulf. Its main shopping area, Hamra, is renowned throughout the Arab world. Lebanon's famous banks are all headquartered in West Beirut. Lebanon's two largest Muslim sects, the Sunnis and the Shiites, have their headquarters in this section of town. The nerve center of the PLO was here. These considerations made the Lebanese fighters hesitate. Israel was less reluctant.

On July 4, Israel took control of all access to the city. For the next six weeks West Beirut was subject to siege, bombing and occasional military thrusts on the ground. In these attacks the Israelis used CBU's and white phosphorous shells, both of which caused heavy civilian casualties. The result was chaos. For days there was no food, water or electricity. The smell of death was everywhere. Begin was determined to bring the "two-legged beasts," the Palestinians, to his justice. He compared Yasir Arafat to Hitler and when asked about the civilian casualties his forces were causing he responded, "They deserve it."⁵

The defense of West Beirut fell to the leftists and the Palestinian guerrillas, but their situation was hopeless, and negotiations began for the withdrawal of the PLO. Acting as go-betweens were the United States

representative, Philip Habib, who in essence represented Israel, and Prime Minister Shafiq al-Wazzan, who represented the PLO.

When the negotiations appeared to the Israelis to be bogging down, they increased their bombing and shelling of the city to minimize their own casualties. On August 1, 4 and 12, the assaults brought back memories of World War II. Tall apartment buildings came crashing down and movie theaters, shopping areas, schools, hospitals, and banks were hit in indiscriminate raids. In one 14-hour attack, 50,000 shells hit the city and the Israeli air force completed 200 bombing runs. The Lebanese government estimated that over 5,000 civilians died and 11,000 were injured in Beirut alone, and that in the whole country over 17,000 died and more than 30,000 were injured.⁶

The Palestinian leadership was faced with a deadly problem, however. Israel had proven its resolve to remove the leadership and the guerrillas from Beirut and in mid-August, Yasir Arafat agreed to the evacuation of 11,000 of his forces along with 1,300 political leaders and cadres and 3,000 ADF troops.

A multinational force (MNF) composed of American, French, and Italian soldiers landed in Beirut to oversee the evacuation. Between August 21 and September 1, some 14,600 people left, mostly by sea.

The leadership of the PLO feared that revenge would be taken on the 500,000 Palestinian civilians left behind and so placed particular importance on that part of the Habib agreement which promised that the MNF would protect the remaining, unarmed Palestinians.

PRESIDENTIAL ELECTIONS

In the midst of the PLO evacuation and while Israel occupied half of the country, presidential elections were held. There was considerable sentiment, especially among the leftists and the Muslims, to postpone the elections until all forces had left the country. These groups encouraged President Elias Sarkis to extend his term until this situation improved. The Phalangist party, however, wanted the elections. Their candidate, and the only announced one, was Bashir Gemayel. The 34-year-old younger brother of Amin had had a meteoric rise to power since the civil war of 1975-1976. When the fighting erupted, Amin took over leadership of the political apparatus of the Phalangist party. In 1976 Bashir took control of the party's militia. Under his leadership he produced a 15,000-man force,

(Continued on page 40)

William W. Haddad has spent a number of years in Lebanon and has written about the Arab press, which is centered in Beirut. His articles have appeared in several journals, including *Shu' un Filistiniyah*, *Muslim World* and *Contemporary Southeast Asia*.

⁵*Chicago Tribune*, August 19, 1982, section 1, p. 18.

⁶*Al-Nahar*, September 2, 1982, p. 1.

"Can Saudi planners develop the economy and maintain . . . traditional social and religious structures? A complete answer cannot be given. . . . But it is clear that the final success or failure of the kingdom's economic development program will be determined by the way in which the planners bring about needed social change."

Saudi Arabia: Fifty Years of Economic Change

BY RAMON KNAUERHASE

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DURING the 1970's, the world economy was dominated by low growth rates and rapid inflation. With the exception of Japan among the industrialized nations and Singapore, Taiwan, Brazil and South Korea among the developing nations, the world's economies experienced little economic growth. Even among the oil producing and exporting countries, economic development was erratic and below expectations. Nigeria and Mexico now face major crises. Several OPEC (Organization of Petroleum Exporting Countries) members have had to borrow in the world money markets to cover balance of payments deficits and to continue the planned pace of economic development. Even Great Britain has been unable to reverse its economic decline, despite the revenues it has received from the sale of North Sea oil.

Saudi Arabia has been an exception. From 1970 to 1980, two five year development plans were successfully completed and the implementation of the third five year plan began. The magnitude of the change wrought during the 1970's is astounding. Fifty years ago the government was bankrupt and the exploitation of possible oil deposits was only a gleam in the eyes of a small band of geologists. King Abdul Aziz was more interested in the loan of £30,000 in gold and the annual rental fee of £5,000 which were included in the basic Concession Agreement (1933) than in the potential riches to be found in the ground.

Fifty years ago most of the population lived in the desert. Except for a few cars and trucks in Jedda and in the king's entourage, the camel was the primary means of transportation, and the wheel was not in use in most areas of the country. Life was harsh and short. Camels and goats provided milk, meat, wool and hides. When an animal fell ill it was cut out of the herd and quarantined. If it died that was God's will;

if it lived that too was His will. Today radios, television, dishwashers, cars and other consumer durables are used in every household. The number of cars and trucks is so great that traffic jams as large as those in New York, Boston and other major cities are a common occurrence. Today, the budget is in surplus; 30-year-old government officials supervise billion dollar budgets; Saudi pilots fly Boeing 747's and other airliners; Saudi businessmen invest billions of dollars; cities to house thousands of inhabitants are rising out of the desert; and a modern infrastructure has been put in place.

The year 1983 marks the fiftieth anniversary of the signing of the Concession Agreement between the government and the oil companies. The passing of this milestone calls for a look at the kingdom's past, to evaluate the changes in the society and economy and try to see what the future may hold.

The third Arab-Israeli war in 1967 was a watershed for Saudi Arabia. The outcome of the war made it apparent that if the royal family wanted to preserve its rule and the conservative social structure on which its power rested, it had to accelerate the nation's economic growth and to provide a higher standard of living for the citizens. To achieve these ends, the Central Planning Organization (CPO) was upgraded and told to design a five year economic development plan. Newly trained Saudi economists were assigned to the CPO, and Stanford Research Institution was hired to prepare the plan. Within two years the plan for the years 1970-1975 was produced and approved by the King.

The overall goal was "to raise the living standards of the people" while "maintaining economic and social stability" within the existing religious and social framework.¹ This would be achieved by increasing the absorptive capacity of the economy, and by diversifying to reduce dependence on oil. The plan called for a growth rate of 9.8 percent with expenditures of S. R. (Saudi Riyals) 41.3 billion.² Because of the sudden increase in oil revenues following the 1973 war, actual expenditures were doubled, to S. R. 86.5 billion.³ The 13.5-percent growth rate of gross domestic product

¹Kingdom of Saudi Arabia. Central Planning Organization, *Development Plan, 1390 A.H.* (Dammam: 1390 A.H.), p. 23. (Hereafter cited as Plan I.)

²Plan I, p. 43.

³Kingdom of Saudi Arabia. Saudi Arabian Monetary Agency, *Annual Report, 1395 A.H.*, p. 52. (Hereafter cited as SAMA.)

(GDP) exceeded the projected GDP rate of 9.8 percent.⁴

The second five year plan (1975-1980) set the same basic goals. The economic growth rate was projected at 10.2 percent, with primary emphasis on diversification, physical and human capital formation, and improvements in social welfare.⁵ The emphasis on social welfare was imperative in order to distribute the benefits of oil production among the citizens, to draw the population into the labor force, and to increase labor participation rates. Projected expenditures amounted to S. R. 498.2 billion, a nearly sixfold increase over actual expenditures during 1970-1975.

How successful was the kingdom's economic development during the 1970's? In the course of the first plan aggregate output and capital stock increased considerably. Human capital formation progressed. It is certain that the growth in aggregate output and human and physical capital stock exceeded even the most optimistic estimates. In terms of income gained from employment, however, the population failed to make adequate progress. Saudi participation in higher technical and administrative jobs remained low and even in middle-level occupations the Saudi population remained under-represented.⁶

While advancement above some minimum level of comfort was slow, however, the government succeeded in providing an adequate minimum standard of living. Generous subsidies on food, free medical care, free education to the highest level any individual could attain, and special financial institutions designed to help the least fortunate Saudis all raised real income. The continued overwhelming importance of the oil sector and the lack of diversification were the most significant failures of the first development plan.

Economic progress continued during the second plan period. Gross domestic product grew at an annual rate of eight percent, two percentage points below the projected ten percent growth rate. The overall target growth rate was not reached because of the poor performance of the oil sector, which grew at 4.8 percent instead of the projected 9.7 percent.

The growth of the non-oil sector offset the poor performance of the oil industry. Overall, the non-oil sector grew at a 15.1 percent annual rate instead of the projected 13.3 percent. The production sectors (agriculture, mining, and so on) grew at an even

higher rate, 16.6 percent. For the first time, the non-oil sector's share in GDP increased. Measured in current dollars, the non-oil share in GDP rose from 20.7 to 37.8 percent while the percentage share of oil fell from 79.3 to 62.2 percent during the same period. When measured in constant (1399/1400 A. H.) riyals the share of non-oil production in GDP rose from 27.5 to 37.8 percent.⁷

The centerpiece of the second five year plan was the construction of two economic growth points based on integrated petrochemical industries at Jabail (near Ras-Tanura on the east coast) and at Yanbo (on the west coast north of Medina). Connected by a pipeline from the east coast oil fields, the Yanbo complex is designed to provide employment in the impoverished northwestern part of the country. It is also a guarantee that the kingdom's main source of revenue would not be completely knocked out should hostilities in the Arabian Gulf interrupt production in the eastern region.

The construction of the Jubail and Yanbo growth points as well as the building of several strategically placed military garrison cities should reduce the cost of supplying social services. Saudi Arabia is a huge, sparsely populated country with an average population density of 5.78 persons per square mile. The concentration of the rural population in these new cities as well as the expansion of existing large metropolitan areas will yield economies of scale that should reduce the cost of providing these services.

The most significant constraint on economic development is the shortage of qualified Saudi labor. Given the country's large income, the final success or failure of the planned economic development hinges largely on the availability of professional, technical and even manual labor. To meet the excess demand for labor, thousands of expatriate workers have been imported. Until the early 1970's, the expatriate labor force was small. Since 1973, however, the number of foreign workers has been expanded rapidly. Between 1973 and 1974 their number rose 39.2 percent, from 131,148 to 182,505.⁸ The foreign work force continued to increase during the second plan period and reached 1,060,000 in 1980.⁹ Warnings that the presence of large numbers of alien workers could weaken the social structure were brushed aside. It was argued that because the kingdom is exploiting a depletable resource, it must lift and sell the oil as quickly as possible to obtain the greatest benefit for the country. Furthermore, the country's social fabric is strong and resilient enough to overcome the alien influence.

OIL PRICES

The Concession Agreement for the right to search for oil was signed on November 22, 1933. By 1950, the vast extent of the oil reserves had been recognized, and the government demanded an increase in its share

⁴SAMA, 1396 A.H. (1976 A.D.), p. 48.

⁵Kingdom of Saudi Arabia. Minister of Planning, *Second Development Plan, 1395-1400, A.H., 1975-1980 A.D.*, pp. 4-5. (Hereafter Plan II.)

⁶Plan II, p. 217.

⁷Kingdom of Saudi Arabia. Ministry of Planning, *Third Development Plan, 1400-1405 A.H., 1980-1985 A.D.*, p. 217. (Hereafter cited as Plan III.)

⁸Fouad Al-Farsey, *Saudi Arabia: A Case Study in Development* (London: Stacey International, 1978), p. 84.

⁹Plan III, p. 35.

of the wealth. Following intense negotiations an agreement was concluded in December, 1950, providing for the 50-50 division of net profits.

Throughout the 1950's and the early 1960's the government's participation in the management of the nation's resources was limited. The lack of trained Saudi personnel meant that the government was merely an observer and an enforcer of the Agreement's terms. In 1963, Zaki Yamani was appointed Minister of Petroleum and Minerals. Under his general supervision, the government renegotiated several sections of the Basic Agreement to increase its revenue. As soon as one issue was settled, another was raised, and a new round of negotiations began.¹⁰

The 1950's and 1960's were a time of learning in preparation for the day when the government would take over the management of the oil sector. The first step in this direction was the economic development plan for 1970-1975. Very early during the plan's preparation it became clear that available resources were insufficient. The revenues required to achieve the desired objectives exceeded even the most optimistic revenue forecasts. To meet the goals of the first plan, the planners emphasized the need for additional payments from the oil companies because

the Kingdom's need for an exceptional financing capacity [to implement the plan] . . . dictates increasing their [the oil companies'] payments to the government during the whole plan period.¹¹

The decision to accelerate economic development coincided with OPEC's increased aggressiveness. In 1970, the government demanded an increase in its share of oil as well as a voice in setting posted prices. On February 14, 1971, the Arabian Gulf members of OPEC signed an agreement with the oil companies operating in the Gulf states that shifted the setting of posted prices to the governments. Despite assurances to the contrary, OPEC raised the price of Arabian Light (34° API gravity) from \$1.80 to \$2.898. On October 16, 1973, Saudi Arabia and the Gulf states raised their price of Arabian Light (the marker crude) to \$5.119 without any apparent consultation with OPEC. This unilateral price hike was followed by a second one, to \$11.651 on January 1, 1974.¹² Saudi Arabia led the way, and the other OPEC members followed and adopted the higher prices.

As OPEC pushed oil prices higher, the Saudi government became concerned that these precipitous increases would destabilize the world economy. The Sau-

dis feared that conservation and the use of alternate energy sources would diminish the demand for oil and thus reduce oil revenues. To avoid these consequences, Saudi Arabia called for moderation in OPEC councils and proposed that price increases should be made in small increments to offset world inflation and to keep the real price of oil (the price adjusted for inflation) roughly constant.

In 1976, output was increased and sold below the OPEC set price. As spot market prices rose, Saudi Arabia sold its output below the official OPEC prices to establish a base price of \$34.00 per barrel for Arabian Light of 34° API gravity. To force the other OPEC members into compliance with the \$34.00 per barrel base price, the Saudis produced 8.5 million barrels a day (mb/d). The war between Iran and Iraq reduced total OPEC output by about 5 to 6 million barrels a day. To offset this loss and to prevent increases in prices Saudi Arabia raised its output to 9.5 mb/d and sold it at less than \$34.00 a barrel. Despite the oversupply of oil that was forcing world prices down, the kingdom maintained this output and price policy until early 1982.

OPEC

What has been Saudi Arabia's role in OPEC? The Saudis have frequently said that their price and output policies are based on two factors: their own need for revenues and the effect of oil prices on the world economy. With respect to the second point, they have said on several occasions that their dominant position in the oil market obliges them to act responsibly to avoid harm to the world economy. Their claims of altruism aside, the main reason for their moderation is the fact that Saudi Arabia is thoroughly integrated in the world economy; any disturbance would harm it just as much as the majority of the world's nations.

Analysts are divided into two factions in this debate. One group asserts that the Saudis need every penny they can earn to meet the requirements of their development plans, their arms purchases and their political goals.¹³ The other group argues that OPEC is a price-leader output-follower cartel, with Saudi Arabia, supported by Oman and the United Arab Emirates (UAE), as the price-leaders and Iran, Tunisia, Nigeria, and other oil exporting nations as the output-followers.

Is there a way to decide which of the opposing views is valid? If OPEC is a price-leader, its actions must display several characteristics. First, there must be one or several dominant firms in the market that are powerful enough to set and enforce the product price. At that price each of the weaker members can produce and sell as much as possible given their cost structure. The amounts not supplied by the junior partners of the cartel will be produced by the price-leader. Second, the market must be divided into segments each of

¹⁰For a discussion of these negotiations see Ramon Knauerhase, *The Saudi Arabian Economy* (New York: Praeger Publishers, 1975), Ch. 7 and pp. 186-195.

¹¹Plan I, p. 21; *Middle East Economic Survey*, vol. 12, no. 47 (September 18, 1970), p. 1.

¹²SAMA, *op. cit.*, 1395 A.H., p. 21; 1396 A.H., p. 17.

¹³See: Eliyahu Kanovsky, "Deficits in Saudi Arabia: Their Meaning and Possible Implications," in Colin Legum, ed., *Middle East Contemporary Survey*, Vol. 2, 1977-78 (London: Holmes and Meier Publishers, 1979).

which is assigned to a firm that produces the agreed upon share. Third, there must be one or several swing (dominant) producers who adjust their output to maintain the agreed on price.

Saudi Arabia has been the dominant producer in the OPEC cartel, and the Saudis have tried to maintain the \$34.00 cartel price by their high levels of production. Until 1981, they produced as much as possible at the price they wanted to establish. When the recent oversupply of crude oil developed, they first worked to establish a quota system among OPEC producers. When that did not stabilize the market price, they reduced their output to 5.9 mb/d in May, 1982, and raised it to 6.7 mb/d in June 1982.¹⁴ Saudi Arabia has clearly acted as the price-leader.

It can be argued that the Saudis have not been producing long enough at these low levels of output to predict their behavior with any degree of confidence. Furthermore, there may be a time lag between the reduction of output and its effect on oil revenues; as soon as these effects are felt, the Saudis may have to increase output to satisfy their own needs. But there is another option open to them. It has been estimated that the implementation of the plan requires revenues from the sale of about 6.5 mb/d. Even if that volume of sales is reduced to maintain the cartel price, the revenue shortfall can be made up by drawing down foreign Saudi reserves.

There is ample evidence that the Saudis will use their financial reserves to achieve predetermined goals, even if the use of these reserves leads to difficulties. In 1967, the Saudis committed themselves to large subsidies for Egypt and the PLO. The amounts promised exceeded estimated current oil revenues. To meet their obligation they did not hesitate to deplete their reserves. The depletion of the reserves and the relatively slow growth of output and revenues at the end of the 1960's led to a budget crisis in the fiscal year 1969/1970, which threatened the implementation of the first five year plan.

SOCIAL CHANGE

Economic development forces change. If this change could be limited to the economic aspects of society it would be possible to achieve planning goals without social disruption. But that is impossible, and the threat of social change poses a serious dilemma. Can Saudi planners develop the economy and maintain the traditional social and religious structures? A complete answer cannot be given at this time. But it is clear that the final success or failure of the kingdom's

economic development program will be determined by the way in which the planners bring about the needed social change.

Of the many social problems raised by rapid economic development, three are particularly vexing: the need to develop an alternative to the interest rate, the effect of the large number of expatriate workers on the customs and social relationships of the Saudi people, and the future role of women in Saudi society.

Muslim lawyers and economists have been arguing about the meaning and usefulness of interest since the end of World War II. The Koran, Sharia (Muslim law) and the founders of the major Islamic legal schools forbid the giving and taking of interest. Thus, to solidify its Islamic character Saudi Arabia must eliminate the interest rate in its economy while retaining its function. (Interest is the price of money, and in a market economy the structure of interest rates allocates the available investment funds to the various economic sectors.) In Saudi Arabia, the injunction against interest is observed in the public sector but is ignored in private transactions. The Saudi Arabian Monetary Agency is not allowed to receive interest on its domestic activities, and the government has established several financial institutions that do not charge interest. In the private sector, however, the injunction against interest has not been observed; thus a three-tiered interest rate structure has developed.¹⁵

The second problem facing Saudi Arabia is the large number of expatriate workers and their dependents. In 1973, the total number of expatriates (workers and dependents) stood at 197,272 and in 1974 at 208,377.¹⁶ Today the number of foreigners and their dependents is probably about two million,¹⁷ which means that about 45 percent of the total population in 1981 were expatriates.

This large and growing number of resident foreigners and their different lifestyles threaten to undermine the social structure. Until 1970 the presence of foreigners had little effect on Saudi life. Their number was small and was concentrated in Jedda on the west coast and in the Dammam-Al Khobar area in the eastern region. Most foreigners resided in special compounds and lived as unobtrusively as possible. Since 1973, however, the number of expatriates has grown so large that their different lifestyles can no longer be contained behind compound walls.

Saudi authorities are aware of the possible social consequences and potential disruption which could follow in the wake of the different lifestyles. Guidelines have been issued for the housing of foreign workers to limit the demonstration effect on the Saudi people. Contractors bidding on projects requiring large numbers of low-skill workers must hire them without dependents and house them in compounds away from towns or villages. The workers are trucked to the work site and back to the camp to avoid contact with the

¹⁴*Petroleum Economist*, August 1982, p. 348.

¹⁵AI-IQTISAD WA-A'MAL. June, 1981, Special Edition, pp. 24-25. Translated and published by: U.S. Joint Publications Research Service, Near East/North Africa Report (Washington, D.C.).

¹⁶Al-Farsey, *op. cit.*, p. 84.

¹⁷Author's estimate.

indigenous population. Their activities outside the compound are restricted. Despite the government's confidence in its ability to minimize the influence of foreigners, it has been decided to limit the number of expatriates. Since Saudiization is one of the primary goals of the third five year plan, the number of foreign workers will be held at the 1980 level; less than 10,000 new expatriates will be added.¹⁸

There can be no doubt that the foreigners' presence affects the social structure; but it is unlikely that the expatriates will be a serious threat to the regime. The American and European professional and technical workers do not have enough at stake to engage in anti-regime activities. Most Asian workers are isolated in guarded camps. (As far as the Palestinians are concerned, the virtual expulsion of the PLO [Palestine Liberation Organization] from Lebanon has deprived them of a refuge.) Furthermore, many of the expatriates are seasonal workers who are sent home as soon as the season ends. The many Egyptian teachers hired only for the school year are an example. Finally, all foreigners are under surveillance and it is unlikely that subversive activities among the expatriates could be hidden from the authorities.

THE ROLE OF WOMEN

The most far-reaching effect of economic development is the changing role of women. The current practice of importing needed workers may continue but this is unlikely in the long run because sooner or later the output of Saudi industry must become competitive, and an important step toward this goal is the emancipation of women. Saudi Arabia is still a man's society and a woman's sphere is determined by the men. The black cloak and veil are an outward manifestation of women's inferior status. Although it is unlikely that the role of women will change significantly in the very near future, there are signs that the status quo will not last and that the rising level of female education will force changes in the status of women. In 1960-1961, the student population totaled 143,010, of which almost 92 percent were male.¹⁹ Ten years later, 153,247 women, about 26 percent of the student population, attended classes from kindergarten to the post-baccalaureate level.²⁰ By 1980, women accounted for 37.3 percent of all students.²¹

The increasing demand for education among women has led to an increase in the number of women attending institutions of higher learning. In 1960-1961, no women were enrolled above the secondary

school level. In 1970, the number of women enrolled in post-secondary institutions was 691. By 1975 it had risen to 5,310, and in 1980 it stood at 15,932. Indicative of the changing role of women are the areas of concentration in which they are matriculated. The majority of women have been enrolled in the faculty of arts. In 1970, 37 women were enrolled in the faculty of commerce at Riyadh University; by 1975, that number had risen to 254; 80 women were enrolled in the faculty of medicine.

By far the largest number of women graduates become teachers in girls' schools, where they teach at the primary, middle and high school levels. The most prestigious profession for women is medicine. At the moment, most women entering medicine train as nurses. There are, however, a few female physicians in the hospitals.

An interesting, unexpected development has taken place in the banking sector.²² Estimates suggest that as much as 30 to 40 percent of all money is controlled by women "and the Koran guarantees them personal control over it."²³ Because of strict enforcement of the separation of the sexes, in the past the established banks provided few services for women. To remedy this, several banks run by women for women have been established. Since 1980, four women's banks have been founded in Jedda and another nine elsewhere in the country.²⁴ In addition to banking, women have been entering the business world by opening stores catering to women. In view of these developments, it is reasonable to assume that the women studying in the faculties of commerce do so in response to pressures in the labor market; they are grasping an opportunity to break out of the limited, sheltered life that male-oriented society has forced upon them.

Overall, the female labor force participation rates have been hovering between 5 and 6 percent. Female labor force participation rates have remained almost constant over the years because women have been dropping out of the labor force to obtain more schooling. Perhaps because the largest number of females are employed in agriculture, the highest dropout rate is among female agricultural workers who migrate to the cities. Once they enter the cities, their life and work are constrained by the four walls of the apartment or villa.

An interesting event, which sheds light on the changing role of women as well as society as a whole,

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¹⁸Plan III, p. 98.

¹⁹Kingdom of Saudi Arabia. Central Department of Statistics, *Statistical Yearbook*. Various issues.

²⁰*Ibid.*

²¹SAMA, *Annual Report*, 1981, p. 86.

²²*The New York Times*, Wednesday, January 27, 1982, pp. D1 and D11.

²³*Ibid.*

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"The size of Egypt's population and its geostrategic location mean that it must be taken into account by the West, by the Soviet Union, by the Arab powers and, it goes without saying, by Israel."

Egypt Under Mubarak

BY JOHN G. MERRIAM

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AFTER Egypt's President Anwar Sadat was fatally wounded by a group of Muslim extremists on October 6, 1981, Vice President Hosni Mubarak became President of Egypt. Continuity characterized the leadership change; the desire for a rapid transition did not undermine legal procedures. While effective political power passed to Mubarak, Soufi Abu Taleb, the speaker of the People's Assembly, became acting head of state in accordance with the Egyptian constitution. The council of Egypt's ruling National Democratic party nominated the Vice President the night of the assassination, a decision confirmed the next day by the People's Assembly. This action paved the way for a national referendum on October 13 in which the 53-year-old former commander of the Egyptian air force, the sole candidate, was elected to a six-year term with 98.46 percent of the valid votes cast.

Foreign, regional, and domestic questions and, above all, Egypt's economic dilemmas required resolution. But the first hurdle for the new President was the promised final Israeli withdrawal from the remaining and easternmost third of the Sinai scheduled for April 25, 1982. When he was sworn in as President on October 14, Mubarak pledged in his inaugural address to continue the peace process with Israel and to pursue Palestinian autonomy negotiations. An Israeli antiwithdrawal movement in the wake of the assassination of President Sadat presented a temporary obstacle. Determined to hold Yamit in the Sinai's north-east corner, Israeli squatters from the Gush Emunim, an ultranationalist religious group, occupied empty buildings. But Mubarak persisted:

To those who think they can hold onto Yamit, all I can say is that peace is more precious than anything in the world, and in order for there to be peace, we must honor our commitments.

The Israeli government offered the residents large cash compensations and finally used force; the Mediterranean coastal settlement was eventually destroyed by Israeli bulldozers. Thus Egypt came into control of all its territory for the first time since 1967.

The Palestinian autonomy negotiations, also outlined in the Camp David accords, have proved more

difficult. The implacable commitment of Israeli Prime Minister Menachem Begin and his Defense Minister, Ariel (Arik) Sharon, to their concept of "Eretz Yisrael" (land of Israel) and their determination to remove the Palestine Liberation Organization (PLO) as a military or even a political force placed Mubarak in a difficult situation even before the Israeli incursion into Lebanon on June 6, 1982. The intensive August 16-18 bombing of West Beirut, apparently aimed at PLO holdouts and Yasir Arafat himself, resulted in the destruction of 800 buildings and 500 Palestinians, including civilians. One wonders what would have happened had Israel not returned the remainder of the Sinai, thus neutralizing Egypt (the most populous of the Arab countries), whose 450,000-member armed forces are the largest in the region. Egypt's Foreign Minister Kamal Hassan Ali has made it clear that the Israeli withdrawal from Lebanon is an essential condition for resumption of the peace effort.

Perhaps most disturbing to the Egyptian leadership was the Israeli Prime Minister's flat rejection of U.S. President Ronald Reagan's peace plan, which proposed that the Palestinians of the West Bank and Gaza form loose ties with Jordan, ruled out a Palestinian state, and called for Arab recognition of Israel's right to exist. Although actual negotiations or a change in administration in Israel might modify Israel's position, Egypt's prospects for achieving meaningful Palestinian autonomy seem dimmer than ever.

It was anticipated that Mubarak would normalize relations with Egypt's Arab neighbors. Sadat's peace process, initiated in his November, 1977, visit to Jerusalem, had alienated Egypt from most nations of the Arab world. The Steadfastness Front—Syria, Iraq, Libya, Algeria, South Yemen and the PLO—had failed to dissuade Sadat from signing the 1979 peace accords. Subsequent Arab retaliation affected investment projects and caused the transfer of the Arab League headquarters from Cairo to Tunis.

When Mubarak assumed the presidency, some kind of accommodation seemed possible. The verbal abuse that characterized the later Sadat years ended. Iraq, caught up in an unresolved struggle after its September, 1980, invasion of Iran, had previously led the

denunciation of Egypt. But after Sadat's death reports circulated that Iraq and Egypt had agreed to the Egyptian sale of \$25-million worth of arms beginning on March 15, 1982, with Oman acting as mediator. Funding for some \$15-billion worth of Egyptian military hardware for Iraq was thought to have come from Saudi Arabia and Kuwait.

Mubarak has been eager to restore the Saudi-Egyptian alliance that made possible the 1973 War, aborted by the 1977 peace initiative and the subsequent peace treaty with Israel. Although Arab "accommodationist" states like Jordan and Morocco have urged Egypt's return to the Arab fold, and although Oman, Somalia and the Sudan never severed relations with Egypt over the peace treaty, it is the Saudi attitude that remains crucial.

The September, 1982, massacre by Lebanese Christian forces of unarmed Palestinian refugees in Israeli-occupied West Beirut dramatized the liability Egypt suffered in its relationship with Israel. President Mubarak ordered his ambassador, Saad Murtada, home from Tel Aviv. Mubarak's standing in the Arab world was endangered by Israel's occupation of an Arab capital and Prime Minister Begin's adamant rejection of President Ronald Reagan's peace proposals. Although Egypt indicated that it held Israel responsible for the massacre, it did not sever diplomatic relations. Formal ties with Israel will, however, continue to be a liability. Yet Mubarak, like Sadat before him, knows that Saudi Arabia is concerned about militant Iran and its supporters. Nevertheless, Egypt still lacks adequate "political capital." On the eve of the West Beirut massacre, Arab conferees at the Fez summit in Morocco rejected a Sudanese proposal to bring Egypt back into the Arab fold. Before the last part of the Sinai was to be returned to Egypt all indications were that, at least unofficially, the Baghdad decision formally excluding Egypt was for all practical purposes reversed.

In a further development, in a nationally televised speech to the opening session of the Parliament on October 3, President Mubarak asserted that Israel had, in his view, "harmed the peace process and stability in the region." Although his remarks seemed to distance his country from Israel further, he nevertheless praised those Israelis "who had condemned the massacres that stand against all the basic ideals of Judaism."

Relations with the PLO and the Palestinians are even more complex. Egypt supports a Palestinian peace initiative; in President Sadat's words before the Israeli Knesset, "the Palestinian cause . . . is the crux of the entire problem."¹ Nevertheless, the Israeli-Palestinian War of 1982, which produced the fourth wave

in the Palestinian Diaspora, poses the question: where will the Palestinians go? The long-standing problem threatens improved relations with moderate states like Saudi Arabia and Jordan and may radicalize many Palestinians.²

Egypt recognizes the PLO as the sole organization representing the Palestinians. When Israel invaded Lebanon, Egypt reportedly tried to use its links with Israel and the United States to bring about a political solution, a fact recognized by many Arabs, the PLO included. In keeping with its recent decision to recall its ambassador but not to break ties with Israel, Egypt believes in communication rather than confrontation. Nevertheless, Mubarak seeks to make Israel aware that there are limits to Egypt's tolerance. In the words of his Foreign Minister, Kamal Hassan Ali, because of the invasion relations with Israel are "99 percent frozen." Nonetheless, as the PLO pursues the diplomatic route in the wake of its evacuation from West Beirut it may need Cairo's diplomatic connections more than ever.

Mubarak has invited the PLO to form a government-in-exile; but the PLO has taken the stand that a Cairo-based government would not achieve its purpose without United States recognition. In the final analysis, the PLO may feel the climate in Cairo is hardly propitious. Its presence might benefit Egypt by facilitating the Egyptian reentry into the Arab fold; but its freedom of movement would certainly be curtailed.

Although he recognizes the Reagan peace plan as a "lifetime opportunity," Mubarak rejects an imposed linkage between the Palestinian entity in the West Bank and Gaza and Jordan. He believes that the right to Palestinian self-determination includes the right to establish a state. Though ready to seek a comprehensive peace settlement, he questions the willingness of Israel—which some Arabs now term the "superpower of the Middle East"—to accept a negotiated settlement in the wake of its successful efforts in Lebanon.

UNITED STATES POLICY

The United States made a vigorous effort to confirm its commitment to Egypt's new President from the very outset. The United States embassy in Cairo has the largest staff anywhere in the world, but there were promises of a still greater presence and a still higher visibility, a trend whose wisdom is questioned by Egyptians known to be sympathetic to this country. Sadat's 1972 termination of the Soviet military-political dependency, capped by the expulsion of the Soviet ambassador and some 1,000 Soviet experts shortly before his death, seems to have been amply rewarded by American largesse. For example, the 1979 Egyptian-Israeli "Peace Treaty" authorized \$1.8 billion for Egypt in conjunction with the peace treaty; \$3 billion was earmarked for Israel; and 93 percent of the combined total was for military purposes. Excessive dependency

¹See Boutros Boutros Ghali, "The Foreign Policy of Egypt in the Post-Sadat Era," *Foreign Affairs*, vol. 60, no. 4 (spring, 1982), p. 773.

²Harold H. Saunders, "An Israeli-Palestinian Peace," *Foreign Affairs*, vol. 61, no. 1 (fall, 1982), pp. 101-121.

on his American patron could backfire, and Mubarak has sought to pursue a cautiously independent line.

What his foreign policy initiatives lack in panache they make up for in balance. His approach is multifaceted. A still larger United States presence could result in a burst of xenophobia and frustration over Egypt's economic ills and the question of Palestinian autonomy. Rightly or wrongly, the United States could be blamed for underwriting domestic corruption and for its failure to pressure Israel.

Viewing corruption as a matter for internal self-regulation and seeking implementation of its foreign policy goals, the United States wishes to draw the Mubarak regime even closer. The United States government was displeased over Egypt's 1981 \$1-billion deal for 20 French Mirage jets and its discussion of arms purchases from Britain and Spain. Perhaps most unsettling for the Reagan administration was Egypt's decision to invite a small team of 60 Soviet technicians to return to carry on Soviet-initiated projects. The Israeli invasion of Lebanon has complicated Egypt's relations with the United States and has furthered the Egyptian desire for detachment just when the United States and Israel have drifted apart. Changes on these various fronts remain only a matter of degree: the special American relationship with Israel and (since 1974) with Egypt is expected to endure.

Egyptian relations with the Soviet Union will remain correct but not cordial, at least for the time being. Egypt, for its part, has to balance the liabilities of the American association with the need for United States development aid and, once again, for weapons.

DOMESTIC PROBLEMS

In September, 1981, approximately a month before his assassination, President Sadat jailed some 1,500 political opponents and religious extremists, banned political and religious publications, and sought to silence critical television and radio personalities. His targets ranged from the leading opposition newspaper of Ibrahim Shoukri's Socialist Labor party (SLP) and the outspoken Coptic Pope Shenouda III to the fundamentalist Islamic groups.

On taking office, Mubarak pledged firm handling of the Muslim extremists (*mutatarrifun*) but on November 15, in a spirit of national reconciliation, he extended a welcome to 30 prominent leftist political prisoners brought from prison to his office for discussions. Released from detention, many were allowed to return to their posts and resume opposition roles.

The secular political opposition, for its part, is generally supportive. In May, 1982, the ban on the opposition press was lifted and three newspapers were allowed to publish again: *Al-Shaab*, the SLP organ; *Al-Ahrar*, the organ of Mustapha Khaled Murad's Ahrar party; and *Al-Ahali*, the vehicle of Khaled Mohied-

dine's radical Unionist Progressive party. The left wing Tagamu' group was allowed to resume publication of *Al-Ahali*, which opposes the Camp David accords and what it considers to be the fraudulent Palestinian autonomy arrangements.

The trial of Lieutenant Khaled Hassan Shafiq al-Istambouli and 23 others accused of murdering President Sadat, took place before a Cairo military court November 21, 1981. All 24 were identified as members of the *Al Jihad* extremist group, loosely tied to the larger *Takfir wal-Hijra* Muslim fundamentalist movement active since the early 1970's. Those executed included Khaled Istambouli and one other military man and three civilians. Avoiding blanket treatment of the fundamentalists and other military men, Mubarak was selective in his fight even against the fundamentalists and tried not to alienate the army on which he ultimately depends.

THE ECONOMY

More pressing than the containment of dissidents are the economy and the prospects for development. Egypt's population, recently estimated at 45 million, is increasing by 1.2 million a year, a 2.8 percent rate increase. With inflation that may have reached 25 percent, the rise in per capita income to \$580 offers little evidence of real growth. Moreover, although ordinary citizens are hardly aware of it, they are certainly affected by Egypt's external debt, now at \$15 billion. By way of comparison, the gross national product (GNP) is around \$26 billion, with agriculture and services each contributing approximately one-third of the GNP, the remainder coming from industry, mining, electricity and construction.

Mubarak describes his nation's economic problems candidly. He seeks to mitigate the undesirable aspects of Sadat's *infitah* or "open door" policy; this aimed with only partial success to expand the private sector with the help of foreign investment in a country where public sector enterprises are predominant. While it is true that larger industries continue to be owned by the state, a legacy of the Gamal Abdel Nasser years (1954-1970), many privately owned medium-size industries compete with state price-controlled products. Although imports have sometimes hurt national industries, the 25 percent of industrial production originating in the private sector appears to be increasing in absolute and in relative terms.

Mubarak's principal quarrel with the *infitah*, as outlined in his first speech to the People's Assembly on October 14, 1981, focused on its emphasis on consumption. To those capitalists who had made their fortunes overnight through *infitah*-related speculation, the new administration's corruption trials sent a clear signal. While Mubarak remains convinced that corruption was the main cause of Sadat's murder, only the most grievous offenders have been punished. If the

problem of corruption can be overcome (or at least reduced) Mubarak may aim for a synthesis of Sadat and Nasser's policies. The *infitah* is the key to private sector incentives, domestic capital formations plus external funding sources. But the question is how to avoid unnecessary imports and dysfunctional consumer behavior. The public sector can program large-scale productive investments; but how can it reverse unimaginative and often unsound policies?

The subsidies question is also important. Politically popular, subsidies were expected to total \$2,466 million in the 1982 fiscal year, making substantial claims on revenue earners, and constituting 22 percent of Egypt's import bill. Bread alone is subsidized by more than \$975 million. As the President pointed out in his speech on the thirtieth anniversary of the July, 1952, revolution that toppled King Farouk, the bread subsidy exceeds the Suez Canal tolls by \$244 million. "If we carry on this way," he said, "all our revenues will go to subsidies." The amount allocated for corn, oil, and sugar subsidies was \$497 million, while government income from tourism (in 1981-1982) did not exceed \$396 million. Subsidies for clothing amounted to \$120 million as did gas subsidies. "Can we continue this way?" Mubarak asked his radio listeners.

Egyptians with low salaries and often with little or no meaningful employment suffer from inflation. The three-day January, 1977, food riots were a reminder of the danger of removing or lowering subsidies in the interests of the fiscal "rationality" urged by the International Monetary Fund. At that time, urban unrest ended only when the government agreed to rescind its decisions. The riots seemed too easily explained in economic terms; but they should be reexamined for indications that the regime had already begun to lose its earlier legitimacy.

The rescission bought time, but the fiscal problems remain. Price controls and a mounting subsidy program are designed to shield the population from the ravages of inflation, but these policies often favor the middle and upper classes for whom they were not intended. Although he has been urged to phase out the subsidies, Mubarak has pledged not to tamper with them for the time being. There are proposals to replace the system with a welfare program of direct payments that would more directly reduce the potential political volatility of the urban poor, but such a program would strain bureaucratic capabilities. The struggling middle class would also welcome a change upward from their traditionally low salaries.

What are Egypt's foreign exchange earning prospects? In 1981, Suez Canal revenues fell to \$780 million, and tourism income of \$393 million also fell be-

low expectations. A modest oil exporter by Saudi Arabian standards, Egypt hopes to produce more than its current 700,000 barrels a day, with anticipated production rising to one billion in 1985 and revenues increasing from \$2.5 billion to \$3 billion in the present fiscal year. Petroleum products represent two-thirds of Egypt's exports, but their further expansion runs up against the persistent world oil glut. Oil prospects are also up against a lack of newly established reserves and rising domestic consumption encouraged by the fuel subsidies.

Cotton was once the leading export commodity, but is now much less significant, although it remains the largest agricultural export earner. The remaining principal exchange earner, possibly surpassing oil itself, consists of remittances from Egyptian workers abroad, chiefly in Arab countries. Some provide manual labor; others are highly skilled. Although probably undercounted, remittances are officially in the neighborhood of \$3 billion.³ Foreign earnings have gone all too frequently to consumer items rather than to productive, income-generating assets.

With the appointment of Fuad Mohieddin as Prime Minister on January 2, 1982, Mubarak gave up the post he had also held since assuming office. Priority was to be assigned to the "urgent economic problems" caused by the excessive import of luxury goods, ineffective public sector companies, insufficient foreign investment in Egyptian industry and inadequate housing and by the subsidies that drain some 30 percent of the national budget. The new five year plan for 1982-1987 was expected by the end of 1982.

EGYPT'S AGRICULTURE

Textiles, chemicals, petrochemicals, manufacturing and cement characterize the industrial sector, but agriculture continues to be the dominant economic activity, employing 4.7 million people, 44.4 percent of the work force, compared with industry's 14.3 percent. Less than 4 percent of the land—about 6 million acres—is under cultivation, principally in the Nile River valley and delta. Thus potential for horizontal expansion (the costly reclamation of marginal lands) or even for vertical expansion (higher yields per acre) is limited. In the recent past, Egypt has pursued a "new lands" policy while converting already productive land to nonagricultural purposes, but studies indicate

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³Compiled from *MEED* (Londón), September 3, 1982, pp. 9-10; *Jeune Afrique Economie* (Paris), no. 12, 12 septembre 1982, p. 130; and *World Development Report 1982* (New York: Oxford University Press, 1982), p. 86.

In Iran, "there is no shortage of repression and corruption, the economy is in shambles, the probably avoidable war with Iraq has generated many casualties and refugees. . . . Yet more than one Middle East government has survived well in the face of equal or greater disasters. The combination of tight security control, charismatic leadership, and ideological fervor is hard to beat."

Iran's Year of Turmoil

BY BARRY RUBIN

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EVENTS between June, 1981, and the autumn of 1982 were more favorable to the government of Iran than to Iran itself. After the fall of President Abol Hassan Bani-Sadr and the last competing force against the radical Islamic clergy, and the banning of the Islamic-leftist Mojahaddin-i-Khalq, a guerrilla war against the government continued. It featured many assassinations of key leaders, but it failed to dislodge the Islamic Republican party (IRP).

In the war with Iraq in 1981-1982, Iran swept most of Baghdad's troops from its territories. Still, attempts at mediation made no progress toward ending the conflict, despite Iraq's increasing eagerness to end a costly and losing battle. Iranian forces crossed the border into Iraq in June, 1982, although they could not break the Iraqi defenses.

The elimination of Bani-Sadr, the execution of former Foreign Minister Sadegh Ghotbzadeh, and the house arrest of Ayatollah Kazem Shariat-Madari all signaled the elimination of a host of earlier leaders by the hardline, clerical IRP leaders. 1981-1982 also witnessed the prologue to the battle for succession to Ayatollah Ruhollah Khomeini, whose charisma made the regime inviolate in his lifetime.

The revolution had entered a new period in June, 1981, with the final crisis in the battle between Bani-Sadr and the IRP. The removal of Bani-Sadr and his allies from any role in the United States hostage negotiations the previous autumn had been a sign of his loss of power. The IRP-controlled Parliament passed a number of measures in the following months that eroded presidential power, and Bani-Sadr replied by trying to cultivate the armed forces.

But the IRP retaliated against Bani-Sadr's growing public criticism of its behavior. In June, 1981, party leaders succeeded in banning the President's newspaper, *Islamic Revolution*. The President's allies, like central bank governor Ali Reza Nobari, were removed from office. Moderate ex-Deputy Prime Minister Abbas Amir Entezam was sentenced to life imprisonment for alleged collaboration with the United States Central Intelligence Agency. Finally, Parliament began im-

peachment proceedings against Bani-Sadr and influential clerics persuaded Khomeini that the President was plotting against him. Khomeini dismissed Bani-Sadr as commander in chief of the armed forces and as President.

Despite Bani-Sadr's attempts to win military support, the armed forces remained loyal to Khomeini, buoyed by the IRP's promise to end its interference in military affairs and by the naming of General Valiollah Fallahi as temporary commander in chief. Bani-Sadr refused Khomeini's request for repentance, called for popular resistance to the dictatorship, and went into hiding. Then, after several weeks underground, Bani-Sadr fled dramatically to France in the company of Masud Rajavi, the leader of the Mojahaddin-i-Khalq, the leftist-Islamic group that had played an important role in the revolution.

A bloody purge of suspected Bani-Sadr and Mojahaddin supporters followed; the new opposition waged guerrilla war against the government. At the end of June, 1981, Ayatollah Mohammed Beheshti, the IRP's ablest strategist, and over 70 other IRP leaders were killed in the bombing of party headquarters. Prime Minister Rajai was elected President in Bani-Sadr's place but both Rajai and his new Prime Minister, Javad Bahonar, were killed by a bomb in August.

A NEW PRIME MINISTER

A member of the IRP, Mohammed Reza Mahdavi-Kani, became the new Prime Minister. Faced with internal party opposition, he soon gave way to the newly elected President, Hojjat-ul-Islam Ali Khamenei. Many other leaders were killed in daily accidents. General Fallahi and several high-ranking army officers died in an October, 1981, plane crash.

Iran went through months of bombings, raids, shoot-outs, assassinations, arrests and trials. While the IRP suffered high losses, many of the Mojahaddin's cadres were also killed or arrested. These oppositionist cadres were harder to replace. The IRP could not achieve final victory in this war; yet it rode out the worst of the guerrilla offensive. Amnesty International

documented 3,800 post-revolution executions by the end of 1981, two-thirds of them in the few months after Bani-Sadr's removal.

On the economic front, during this period Iran managed to produce enough oil to maintain the necessary minimum of imports and the flow of internal commerce. Discounted prices attracted foreign buyers, and the resulting revenue subsidized the unemployed workers and poor urban migrants who continued to provide the IRP's mass base. Iranian production generally hovered around the 2.2 million barrels-a-day mark.

But the effects of the war and economic mismanagement meant widespread rationing—of almost everything except locally produced fresh fruits and vegetables—and increased hardship for most Iranians. The modern middle class was strongly opposed to the IRP regime, and many of the bazaar merchants were also alienated from the government. Crops have been fairly good, but the regime subsidizes food for cities and so keeps producer prices artificially low.

Differences over domestic policy were still evident within the national leadership. Many members of the IRP favored the nationalization of foreign trade and some land reform. This was opposed by the minority Hojjatieh faction and by others in the mainstream of the party. A third clerical group, representing the more traditional mullahs and the highest ayatollahs, tended to see Khomeini as an upstart and a reckless innovator and were thus hostile to the IRP. This last category may be important in the post-Khomeini era, challenging the credentials of his would-be successors.

The man most often mentioned as the next spiritual guide for the revolution was Ayatollah Hussein Ali Montazeri, who is not widely respected outside IRP ranks. Khamenei and Hojjat-ul-Islam Rafsanjani, the speaker of Parliament, seemed far more dynamic figures. To cement its power, the IRP worked hard to institutionalize the Revolutionary Guard, its own parallel, politicized military force:

Prospects for Iranian forces outside the Islamic revolutionary framework seemed far dimmer. The exiles—supporters of the Shah, traditionalist military officers, liberals, Bani-Sadr supporters, and others—were too divided, discredited and lacking in contacts within the country to contest power.

The left was split, with the pro-Soviet Communists (Tudeh party) and some others supporting the Islamic regime while the Mojahaddin were in fierce opposition. The Mojahaddin had inflicted heavy losses on the government in internal guerrilla warfare; but they lacked the capacity to expand their own base or to bring down the regime. The Tudeh's influence was often exaggerated overseas, but the party remained small and weak within Iran. Its ideology was uncongenial to most Iranians, and Tudeh was often seen as a Soviet tool. Soviet criticism of Iran's counterinvasion

of Iraq provided the occasion for a growing crack-down against the party.

Non-Persian ethnic groups also posed problems for the Teheran government, but the Iranian Arabs never rallied in any number to Iraq's side. The Baluch tribes of the southeast and the other nomadic groups caused only limited trouble and the Turkish-speaking Azeris were kept under control through repression and the arrest of their revered leader, Shariat-Madari. Only the Kurds waged a continuing battle, tying down many Iranian troops, although they could not oust them from Kurdistan. Abd al-Rahman Qasimlu, leader of the Kurdish Democratic party, recognized Bani-Sadr's National Opposition Council. But given the localist nature and limited resources of the ethnic/national groups they were unlikely to overthrow the central government.

The army remained a potential source of political power, particularly given the laurels it has won in the war against Iraq. But many top officers owed their promotions to the revolution. The military was too traumatized by its use against civilians during the revolution and too subject to Khomeini's charisma to cause political problems. To some extent, the Revolutionary Guards, though less disciplined and less well armed than the regular forces, countered them. While the army may be a future contender for power, this does not seem likely in the foreseeable future.

FOREIGN POLICY

While the Islamic government showed its ability to remain in power, it also demonstrated the seriousness with which it took nonalignment. The Soviet Union was closer and was deemed slightly less unfriendly than the United States; nonetheless, Teheran's distrust of Moscow remained high. In the words of Iran's Foreign Minister:

Our revolution has presented the world with the new belief that one can fight but remain independent; one can fight against America without depending on the Soviet Union; and one can fight against those who possess modern weapons and advanced technology without submitting to another great power in order to receive weapons.

Iranian oil provided the funds to buy weapons in various places: most significantly, from Libya, Syria and North Korea, with other purchases on the European arms market and specialized supplies from Israel. Trade with the Soviet Union also increased, and there were significant successes in opening up new sources of commerce with Japan, Pakistan, Turkey, and a range of other countries, even with some of Iraq's allies in the Persian Gulf.

This last group of countries was understandably concerned, indeed panicky, about Iran's advance into Iraq; but a careful assessment shows the threat to be somewhat overstated. Neither radical Islamic revolu-

tions in the Persian Gulf area nor a widening of the Iran-Iraq war seemed imminent.

Arab anxiety was understandable given hostile Iranian statements and periodic disclaimers from Teheran. President Hojat-ul-Islam Ali Khamenei referred to the rulers of the small, oil-rich states as

greedy pigs which know nothing but satisfying their lust; sheiks who have spent their whole life plundering your wealth. . . . We will destroy all the dwarfs if they continue to support falsehood against right. . . . All of you must raise the flag of the Islamic revolution everywhere.

Teheran's particular grievance was the support given to Iraq's war effort by Saudi Arabia and its neighbors; Iran also portrayed them as anti-Islamic pawns of the United States, constantly plotting against Iran. Although the Persian nationalism and Shiism of Iran's revolution repelled many in the Gulf, Ayatollah Khomeini's Islamic and anti-Western ideology appealed to some of the Gulf's poor Arab masses.

Yet the Islamic revolution was constrained in spreading revolution abroad. Gulf governments were not democratic, but they were accepted by most of their people. Oil wealth was not always equitably distributed, but there have been more benefits and fewer social dislocations by far in the Gulf than in Iran under the Shah.

Iran's growing foreign policy activism and its military victories posed four types of threats to Saudi Arabia and the smaller, conservative Gulf nations. One was the threat of direct attack. Iranian planes could take off and hit Saudi oilfields within 15 minutes. The AWACS (Airborne Warning and Control System) radar system provided only some early warning. Most immediately, Iran could threaten Kuwait—whose border with Iraq was near the fighting—unless Kuwait stopped forwarding supplies to Baghdad.

Iran, however, feared that its triumph would be dissipated if it attempted to widen the war, a step that might lead to intervention by the United States. Moreover, Iran needed every petroleum penny and had a great stake in the safe transit of oil from the Gulf. It was desperately seeking to increase exports by this route, ignoring attempts by the Organization of Petroleum Exporting Countries (OPEC) to limit production.

Another threat was an increase in Iran's subversive propaganda and its training and aid for Gulf revolutionaries. One such group was broken up in Bahrain in December, 1981, and news of the arrests set off panic in the region.

A third threat was the possibility that the victories of Iran's revolution would inspire opposition groups, even those antagonistic to Iran's government. Many Arabs did not hear or did not believe the reports of oppression, disorganization and economic decline in Iran so prevalent in the Western press. Nonetheless, the Gulf governments sought to counter the revolu-

tionary threat through security and social and economic reforms. The Saudis, for example, tried to improve conditions for the 125,000 Shiites who comprise 40 to 60 percent of the oilfield workers. With their high oil revenues and small populations, the sheikdoms have far more per capita oil income than the Shah did, and their economic policies have been far more cautious. If necessary, these governments will take on an even greater Islamic coloration to dilute Iranian appeal.

The revolution's implicit Persian nationalist and Shiite sentiments repel many Arabs and Sunnis. The Kuwaiti fundamentalist movement is anti-Teheran on both counts. Most Saudis are strict Sunnis, who are religiously antagonistic to Shiism. Foreign workers in the area, divided among themselves by language and culture, are not a potential revolutionary base. Their primary interests are making money and returning home.

Finally, as the Gulf's strongest country, Iran could be expected to lean heavily on its neighbors, dictating anti-Americanism and other policies. This prospect was taken very seriously in the area, but the failure of the Shah or the government of Iraq to gain regional hegemony should cast doubt on Ayatollah Khomeini's ability to do so. In fact, the more worried the Gulf states were about Iran, the more they were inclined toward arrangements for United States support and mutual cooperation. While it was clear that Iran was to some extent breaking out of its international isolation and regaining an important role in the Gulf, the revolutionary threats of the Islamic regime seemed to limit its prospects for gaining regional leverage or leadership.

THE IRAN-IRAQ WAR

Almost two years after Iraqi forces invaded Iran, the Islamic republic returned the favor with a vengeance. Teheran's comeback stopped well short of bringing down the Baghdad regime; the result was a military stalemate, which Iran was willing to accept as a war of attrition. By late 1982, both sides were suffering from heavy losses, economic weakness and a shortage of military supplies. While some Iranian leaders tried to find a way out of the conflict, Khomeini persisted in calling for the downfall of Iraq's Baathist government.

The Iranians seldom lacked confidence. Colonel Sayyad Shirazi, the brilliant young Iranian army commander, predicted before the border crossing that his men would soon be saying their prayers in the Iraqi city of Karbala, the most important Shia pilgrimage site, and added, "God willing, the ground [will] be laid for the appearance of imam mahdi, the absent imam," the Shia messiah whose return will herald the end of the world.

When Iraqi lines held, neither event came to pass.

Despite their eagerness for martyrdom, poorly trained Iranian Revolutionary Guards could not penetrate the well-built Iraqi defenses. The Iranian Air Force finally collapsed because of a shortage of trained pilots (many of them had been purged) and spare parts.

Iraq's economy was in even worse straits than Iran's and the war was more unpopular in Iraq. But Baghdad's political control and Iraqi patriotism, coupled with Arab oil money in the billions from Saudi Arabia and Kuwait, allowed Saddam Hussein to fight on.

In 1982, however, Iran proved that outside observers had underestimated its staying power. American policymakers and journalists refused to believe that the Islamic government could survive very long. Predictions were common at the war's beginning that the Iraqis would roll over their opponents. Baghdad was dangerously confident of easy victory, and so were the trendy Western scholars and writers who glibly advertised Iraq as the new regional superpower.

Yet Iran's perseverance is not all that surprising. For better or worse, the Iranians simply meant what they said. The power of religious and nationalist belief was great, and the mullahs were no fools when it came to power politics. They organized a variety of institutions—not highly disciplined or efficient but adequate—including neighborhood committees, courts, intelligence services, and Revolutionary Guards—to maintain their power. Enough oil was produced to keep the economy going and, despite the hardships for the urban middle class, there were enough subsidies to keep the poor from abandoning Khomeini's leadership.

No political force was able to bring them down. The emigrés were disorganized, divided and increasingly irrelevant. Their inaccurate predictions about Iran's disintegration, based on wishful thinking, were quickly snapped up in the West, as were the exaggerated stories about Soviet influence in Iran. The Left had only a limited political base; and while the quasi-Marxist Islam of the Mojahaddin appealed to many, there was a real difference between carrying out assassinations and seizing state power.

This is not to say that Islamic Iran is any kind of paradise. There is no shortage of repression and corruption, the economy is in shambles, the probably avoidable war with Iraq has generated many casualties and refugees. Hundreds of thousands of skilled Iranians have left the country, and the costs of all the waste and mistakes made will plague Iran for years to come. Yet more than one Middle East government has survived well in the face of equal or greater disasters. The combination of tight security control, charismatic leadership, and ideological fervor is hard to beat.

Similar factors affected the course of the war. Iran's larger population, superior pilots and naval forces, the arms and spare parts stockpiled by the Shah, and the fanatical dedication of its soldiers all helped to stop

and then push back the Iraqi advance. The purge of the Shah's military in some ways helped Iran, removing senior officers who had been promoted through connections or loyalty and replacing them with young and able soldiers, like Shirazi, who were also relatively loyal to the Khomeini regime. At first, the Revolutionary Guard bore the brunt of the fighting but gradually the regular Iranian armed forces reasserted themselves.

The war was fought largely with basic weapons, a military version of the "small is beautiful" and appropriate technology views. Revolutionary Guards made human wave assaults armed with Soviet-made AK-47's and RPG-7 anti-tank weapons obtained from Libya, Syria and North Korea among other places. Casualties were high, but the Iranians won by taking advantage of the Iraqis' lower morale, forcing them to run, retreat or surrender.

Iraq's failure to conquer Iran was due as much to its own faults as to Teheran's strengths. Baghdad had no clear military objectives, naively assuming that an invasion of a relatively small portion of Iranian territory would bring down the Khomeini regime. When there was no revolution or capitulation from Teheran, the Iraqis did not know what to do next. The Iraqi army looked impressive on paper, but it was a very political military whose showing against the Israelis in 1973 and against the Kurdish uprising was poor.

Iraq's Soviet-style tactics were inflexible and inappropriate. One Iraqi joke tells of their forces going on maneuvers in the desert with a Soviet adviser. On the first day they advanced, but then they stood still for a week. "Why are we waiting?" asked an Iraqi officer. His Soviet counterpart replied, "We are waiting for the snow to melt."

Political limitations on military strategy were also restrictive. Most of the Iraqi foot soldiers were Shia, and were not completely reliable, while the elite Sunni units were often kept home to protect the regime. President Saddam Hussein was determined to keep losses low. This meant avoiding both all-out assaults on the Iranian cities and the encirclement of enemy troops in the early days of the war. The casualties spared at the time of rapid Iraqi advance had to be sacrificed during the months of stalemate that ensued.

Some different factors, however, are involved in an Iranian attack on Iraqi soil. There, Iraqi determination to hold Iraqi ground is much higher. Among many Iraqis, the Iranians are genuinely feared and hated.

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Barry Rubin is a professorial lecturer at Georgetown University's School of Foreign Service. His books include *Paved with Good Intentions: The American Experience and Iran* (New York: Oxford University Press, 1980) and *The Arab States and the Palestinian Conflict* (Syracuse, N.Y.: Syracuse University Press, 1981).

BOOK REVIEWS

ON THE MIDDLE EAST

FAITH AND POWER: THE POLITICS OF ISLAM.

By Edward Mortimer. (New York: Vintage Books, 1982. 432 pages, notes, index and maps, \$19.95, cloth; \$6.95, paper.)

LOYALTY AND LEADERSHIP IN AN EARLY ISLAMIC SOCIETY.

By Roy P. Mottahedeh. (Princeton: Princeton University Press, 1980. 209 pages and index, \$16.50.)

MODERN ISLAMIC POLITICAL THOUGHT.

By Hamid Enayat. (Austin: University of Texas Press, 1982. 255 pages, notes and index, \$20.00, cloth; \$8.95, paper.)

Islam has always maintained a rather ambiguous standing in the West, and although scholastic studies in the last few decades have moved outside the "orientalist" perspective, the general public still clings to notions of Islam as a monolithic, totalitarian movement. Edward Mortimer's study is perhaps the best example of progress toward a balanced view. *Faith and Power* is a readable volume that covers the historical background of Islam. Mortimer also presents six "case studies" of Islam in the twentieth century: Turkey, Saudi Arabia, Pakistan, Iran, the Muslim Brotherhood, and Islam in the U.S.S.R.—the latter an important topic in light of the large number of Muslims in Soviet Central Asia and their proximity to Afghanistan and Iran.

Enayat and Mottahedeh's works cover the two ends of the historical spectrum. Mottahedeh is not interested in pursuing a thesis that explains the coalescence of state and religion in Islamic nations. Instead, he is attempting to break out of a methodology that dissolves societies into basic units or groups that become the "building blocks" of social/political institutions. His study analyzes written works to explain how ties of "loyalty, obligation and leadership" were generated and passed from generation to generation. The ties provided an "amazingly resilient social order" that held together a society without codified social obligations.

Hamid Enayat has written a straightforward account of the evolution of Islamic thought from the demise of the Caliphate to the modern Islamic state. The relationship between the Islamic state and the political doctrines of nationalism, democracy and socialism is covered in great depth, as is Shiite modernism and the resurgence of fundamentalism. There is an especially interesting explanation of how the concept of martyrdom has moved from its "quiescent character" to a "rhetorical instrument of

political mobilisation" in the revisions of the traditional doctrines by Shiite scholars. W.W.F.

THE ARAB PREDICAMENT: ARAB POLITICAL THOUGHT AND PRACTICE SINCE 1967.

By Fouad Ajami. (New York: Cambridge University Press, 1981. 220 pages, notes and index, \$19.95.)

Fouad Ajami has written one of those rare works on the Middle East that is at once comprehensive and critical, acute and sympathetic. Ajami surveys the Arab world since the 1967 War, using anecdotes and expositions of political works to show how Egypt has become the "Arab mirror" and how Islamic fundamentalism has surfaced in response to both the modernization of the Middle East and the perception of Israel as a theocratic rather than a Western imperialist power. W.W.F.

LAND AND REVOLUTION IN IRAN, 1960-1980.

By Eric J. Hooglund. (Austin: University of Texas Press, 1982. 191 pages, glossary, selected bibliography, notes and index, \$19.95.)

Hooglund has put together an in-depth study of the land reform program instituted by the late Shah of Iran. He details the various stages of the program, documenting the large-scale socioeconomic impact of the reform on the peasantry. The penetration of political power into the villages is also discussed, the author arguing that the real objective of the land reform program was nothing more than the centralization and consolidation of the Shah's power. W.W.F.

SAUDI ARABIA: RUSH TO DEVELOPMENT.

By Ragaei El Mallakh. (Baltimore: The Johns Hopkins University Press, 1982. 472 pages, notes, appendix, selected bibliography, tables and index, \$32.50.)

An analysis of Saudi Arabia's ambitious economic development program, this work discusses all aspects of the Saudi economy, and it provides a detailed exposition of the first three Saudi development plans. W.W.F.

SOCIAL CHANGE IN ISRAEL: ATTITUDES AND

EVENTS, 1967-79. By Russell A. Stone. (New York: Praeger, 1982. 336 pages, bibliography, tables and index, \$34.95.)

Russell A. Stone examines the impact on the social history of the Israeli people of the events between the end of the June, 1967, Middle East War and the signing of the Israeli-Egyptian peace treaty in March, 1979. O.E.S.

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CURRENT DOCUMENTS

On September 1, 1982, after the evacuation of Palestine Liberation Organization forces from West Beirut, Lebanon, U.S. President Ronald Reagan announced a new Middle East peace initiative. On September 9, 1982, 20 Arab League states approved an 8-point Middle East peace plan. Excerpts from both plans follow:

PRESIDENT REAGAN'S PLAN

- I call on Israel to make clear that the security for which she yearns can only be achieved through genuine peace.
- I call on the Palestinian people to recognize that their own political aspirations are inextricably bound to recognition of Israel's right to a secure future.
- And I call on the Arab states to accept the reality of Israel.

The United States has thus far sought to play the role of mediator; we have avoided public comment on the key issues. We have always recognized—and continue to recognize—that only the voluntary agreement of those parties most directly involved in the conflict can provide an enduring solution. But it has become evident to me that some clearer sense of America's position on the key issues is necessary to encourage wider support for the peace process.

First, as outlined in the Camp David accords, there must be a period of time during which the Palestinian inhabitants of the West Bank and Gaza will have full autonomy over their own affairs. Due consideration must be given to the principle of self-government by the inhabitants of the territories and to the security concerns of the parties involved.

The purpose of the 5-year period of transition, which would begin after free elections for a self-governing Palestinian authority, is to prove to the Palestinians that they can run their own affairs and that such Palestinian autonomy poses no threat to Israel's security.

The United States will not support the use of any additional land for the purpose of settlements during the transition period. Indeed, the immediate adoption of a settlement freeze by Israel, more than any other action, could create the confidence needed for wider participation in these talks. Further settlement activity is in no way necessary for the security of Israel and only diminishes the confidence of the Arabs that a final outcome can be freely and fairly negotiated.

I want to make the American position well understood: The purpose of this transition period is the peaceful and orderly transfer of authority from Israel to the Palestinian inhabitants of the West Bank and Gaza. At the same time, such a transfer must not interfere with Israel's security requirements.

Beyond the transition period, as we look to the future of the West Bank and Gaza, it is clear to me that peace cannot be achieved by the formation of an independent Palestinian state in those territories. Nor is it achievable on the basis of Israeli sovereignty or permanent control over the West Bank and Gaza.

So the United States will not support the establishment of an independent Palestinian state in the West Bank and Gaza, and we will not support annexation or permanent control by Israel.

There is, however, another way to peace. The final status of these lands must, of course, be reached through the give-and-take of negotiations. But it is the firm view of the United States that self-government by the Palestinians of the West Bank and Gaza in association with Jordan offers the best chance for a durable, just and lasting peace.

We base our approach squarely on the principle that the Arab-Israeli conflict should be resolved through negotiations involving an exchange of territory for peace. This exchange is enshrined in U.N. Security Council Resolution 242, which is, in turn, incorporated in all its parts in the Camp David agreements. U.N. Resolution 242 remains wholly valid as the foundation stone of America's Middle East peace effort.

It is the United States' position that—in return for peace—the withdrawal provision of Resolution 242 applies to all fronts, including the West Bank and Gaza.

When the border is negotiated between Jordan and Israel, our view on the extent to which Israel should be asked to give up territory will be heavily affected by the extent of true peace and normalization and the security arrangements offered in return.

Finally, we remain convinced that Jerusalem must remain undivided, but its final status should be decided through negotiations.

In the course of the negotiations to come, the United States will support positions that seem to us fair and reasonable compromises and likely to promote a sound agreement. We will also put forward our own detailed proposals when we believe they can be helpful. And, make no mistake, the United States will oppose any proposal—from any party and at any point in the negotiating process—that threatens the security of Israel. America's commitment to the security of Israel is ironclad. And, I might add, so is mine.

THE FEZ PLAN

[1]

The withdrawal of Israel from all Arab territories occupied in 1967 including Arab Al Qods.

[2]

The dismantling of settlements established by Israel on the Arab territories after 1967.

[3]

The guarantee of freedom of worship and practice of religious rites for all religions in the holy shrines.

[4]

The reaffirmation of the Palestinian people's right to self-determination and the exercise of its imprescriptible and inalienable national rights under the leadership of the Palestine Liberation Organization, its sole and legitimate representative, and the indemnification of all those who do not desire to return.

[5]

Placing the West Bank and Gaza Strip under the control of the United Nations for a transitory period not exceeding a few months.

[6]

The establishment of an independent Palestinian state with Al Qods as its capital.

[7]

The Security Council guarantees peace among all states of the region including the independent Palestinian state.

[8]

The Security Council guarantees the respect of these principles. ■

THE PALESTINIANS AFTER LEBANON

(Continued from page 9)

stripped of their large collections of historical documents on Palestinian society and culture. The approximately 400,000 Palestinians in Lebanon were now bereft of the PLO's "support systems" and vulnerable to the uncertain impulses of a new Lebanese government and army groping for authority.

The rebuilding of many Palestinian services and institutions began immediately in Damascus, Kuwait, Tunis and other Arab capitals where Palestinians could find local support and financial resources. But the problem of delivering these services to the Palestinians in Lebanon was almost as difficult as it has been to develop significant linkages with Palestinians in the occupied West Bank and Gaza. The prospect remained that the Phalangist-dominated government of Lebanon would create many thousands of new Palestinian refugees. On balance, the social and political situation of over a million and a half Palestinians in the West Bank, Gaza and Lebanon was as grim as it had been in the dark days of 1948: all were suffering from political oppression and the denial of basic human rights, and many of those in Lebanon were haunted by the threat of terrorism and miserable living conditions.

For Palestinians everywhere it was time for reappraisal. Had the performance of Arafat and the Al-Fatah leadership of the PLO been satisfactory? The failure to recover a single inch of Palestine after years of effort and the expenditure of vast human and material resources prompted hard questions. On the one hand, those of relatively moderate or conservative dispositions criticized the Arafat-Fatah leadership for being unrealistic. They argued that only through non-violence could any gains be secured. For them the military option and the theory of popular armed struggle had been proven wrong. Israel would have to be officially recognized, the interests of the Arab states and the United States would have to be accommodated, and the Palestinians would have to prepare themselves for accepting less than full self-determination in less than one-fourth of what they considered to be their land. What was needed, from the moderate-conservative perspective, was a Palestinian Sadat.

On the other hand, however, were those who thought it was a mistake to have backed away (in 1974 and 1977) from armed struggle and the principle of establishing a secular democratic state in all of Palestine. It was a mistake to have trusted Arab regimes and to have become dependent upon them for material and diplomatic support. It was a mistake to have evacuated Beirut and to have accepted the American guarantees of protection for the defenseless civilians.

To Palestinians of this persuasion, many of whom were identified with the Popular Front, the Popular Front-General Command, the Democratic Front, the radical wing of Fatah, and the maverick anti-Arafat organization led by Abu Nidal, the only sound strategy was to regroup for a long-term campaign of terror and subversion against Israel, and Arab regimes seemingly dominated by the United States and United States interests in the Arab world.

That the PLO leadership would undertake a dramatic shift in either direction seemed unlikely. Despite the preponderance of losses over gains, the Fatah-dominated PLO leadership seemed to come through the summer of 1982 with increased legitimacy and no major internal challenge. In an hour of crisis, Palestinians did not appear to want to abandon their leadership. Arab governments, however much some of them may have been content to see the PLO (and especially radical elements in and around the Palestinian movement) cut down to size, also seemed ready to rally around the existing leadership, perhaps fearing what might replace it if it collapsed. Despite their severe losses, it seemed clear that the Palestinians would not be forced to the sidelines in the ongoing Middle East conflict; nor would the PLO, with or without Arafat, fade away as the legitimate representative of the Palestinian people. ■

ISRAEL AND THE PEACE PROCESS

(Continued from page 14)

to get the Begin government to negotiate on the basis of the Reagan plan, which would mean abandoning Camp David.

The two sides continue to be so far apart in their public positions that it hardly seems possible that they can be brought to the bargaining table. Israel insists on proceeding with the Camp David negotiations, while the Arabs set out demands unacceptable to Israel. With the Camp David talks stalemated and the whole process undercut by the Reagan plan's implication that the Camp David negotiations are no longer necessary, the only ways to bring Israel to the bargaining table are either extreme pressure from the United States, which is not very likely, or a grand surprise gesture from the Arab side, like Egyptian President Anwar Sadat's 1977 initiative.¹⁹ Therefore, there will probably be little progress in the near future. In fact, the cycles of Israeli and American electoral politics could conceivably delay meaningful diplomatic activity until a new American administration takes office in January, 1985.²⁰ However, what is now a relatively

¹⁹Movement within at least part of the PLO is reported in David Bernstein, "PLO leader Hints at 'New Line,'" *The Jerusalem Post International Edition*, October 3-9, 1982, p. 1.

²⁰Nadav Safran, *Israel: The Embattled Ally* (Cambridge: Harvard University Press, 1981), p. 594.

fluid situation would be much more rigid after a long delay. Consequently, the United States government, which is the only outside force able to make progress toward a peace settlement, has a strong interest in maintaining some momentum, like bringing Jordan and Israel together for negotiations.

The prevailing view in Israel is that it has waited for a long time for the Arab recognition that it believes is inevitable and that it will wait longer if necessary. When such recognition becomes a reality, serious negotiations can begin. Until then, Israel appears unwilling to shoulder the entire or even the major responsibility for concessions that might bring an agreement closer. After so many years of war, Israel clearly believes that its enemies have at least an equal responsibility to contemplate concessions. Hence a conciliatory approach by all parties concerned offers the best chance for solid progress in peace talks.

The recognition of this fact has not been consistent on the American side, a factor that detracts from the many positive aspects of the American-Israeli relationship. On the other hand, American efforts to bring one or more Arab countries into the peace process have been thwarted by attempts to achieve a unified Arab position, like the meeting at Fez last year. The pressure to subscribe to a common position (like a demand for total Israeli withdrawal or the creation of a Palestinian state) only hardens the stands of potential participants and makes it more difficult to initiate negotiations.

The dilemma for would-be peacemakers is that when stripped to the bare essentials the positions of the Arab states and Israel have been fundamentally incompatible ever since Israel was created. In the 1948-1967 period, steadfast Arab refusal to recognize Israel and accept its legitimacy precluded any possible peace negotiations. And Arab rhetoric concerning the destruction of Israel did not encourage a conciliatory Israeli attitude.

Since 1967, the focus has been on the territories that fell into Israel's hands during the Six Day War. The Arabs have always insisted on total Israeli withdrawal while Israel, under both Labor and Likud governments, has insisted that total withdrawal is impossible. It was only when Sadat made his great conciliatory gesture that meaningful negotiations became possible. The main hope for progress is either a grand gesture of some sort or a new approach that might lead to a solution without confronting some of the seemingly intractable problems.²¹

Israelis believe that someday their position in the Middle East will be normalized and that they will then be able to carry on conventional relationships with

their neighbors. The experience with Egypt over the past few years, imperfect as it may be, has provided hope to those who share a vision of Arab-Israeli peace. Yet despite one signed peace treaty, a great deal of talk, and hints of peaceful Arab intentions at least from some quarters, a broadly based peace remains remote. The challenge to Arabs, Israelis, and concerned outsiders continues to be formidable indeed.

SAUDI ARABIA: FIFTY YEARS OF ECONOMIC CHANGE

(Continued from page 23)

was recently reported by the *Kuwait Times*. Dr. Abdul Jabbar, a female psychiatrist, "had a patient referred to her by a *mutawwaa*" (an enforcer of religious practices). This was the first time such an event had occurred. It represented a major change in thinking by the most conservative faction of the religious establishment.

Psychosomatic illnesses were not recognised in the past. In the past the sick were taken to a sheikh who would read them verses from the Quran. . . . Today psychology is taught in the college of education and high school teachers are teaching psychology to the girls.²⁵

Another consequence of economic development may be the weakening of the family. The extended family is the basic unit of Saudi Arabian society. A family may consist of hundreds of members, who keep in touch and provide for each other's welfare. In recent years the state has been providing free health care, free education, old age pensions, workmen's compensation, orphanages and many other social programs. Several financial institutions that grant interest-free loans have been established by the government to help "people of small means" overcome unforeseen financial exigencies and to enable individuals to obtain interest free home mortgages.

In the past, these needs would have been met as far as possible within the confines of the extended family. As more and more people in need receive transfer payments from the government, their dependence on the extended family will loosen and the state will play a greater role in the lives of the people.

There are also indications that tribal associations are becoming less important as old cities are modernized and new ones are built. Saudi Arabian cities developed around neighborhoods dominated by a given tribal group, and migrants to the cities sought out areas in which their tribe predominated. Today the growth of cities past their old boundaries and the building of new villas and apartments offer attractive alternatives to living in tribal areas.

THE FUTURE

What does the future hold? As far as the economy is concerned, industrialization will continue. The basic

²¹One solution is suggested by Daniel J. Elazar, "Shared Rule: A Prerequisite for Peace," in Elazar, ed., *Judea, Samaria, and Gaza: Views on the Present and Future* (Washington: American Enterprise Institute, 1982), pp. 211-222.

²⁵*Kuwait Times*, May 1, 1980.

infrastructure has been created and put into place. In the future, the infrastructure will have to be extended beyond the major population centers. Diversification of the economy will proceed slowly. Rather than building an integrated petrochemical industry and simultaneously reducing dependence on the oil sector by industrial diversification, the government will concentrate on the completion of the Jubail and Yanbo complexes and the military garrison cities. These economic growth points will attract migrants from the rural areas. As the population grows, new manufacturing and service industries will be established, stimulating the diversification of the economy.

It is unlikely, however, that Saudi Arabia will ever be able to achieve a completely diversified economy. To accelerate diversification and increase private enterprise the government will continue to enter into partnership with private businessmen and shoulder part of the start-up costs. As soon as these firms become viable, the government should withdraw and sell its share to its private partners.

The Saudis are building an excellent school system and have begun to graduate Saudi professionals and technicians. Investment in human capital and Saudiization of business and industry will also reduce reliance on foreign workers. Still, some foreigners will be needed to fill the menial jobs that most Saudis will not take. The success or failure of economic development also depends on a change in the place of women in society; the cost of excluding women from the labor force is high. Social changes come slowly; but the signs are visible that Saudi Arabian society is changing. ■

EGYPT UNDER MUBARAK

(Continued from page 27)

that the improvement of prime lands already under cultivation should receive a higher priority.

Egypt's principal agricultural products are cotton, wheat, rice, sugar and corn. In 1981, Egypt's agricultural production rose above the 1980 level, but agricultural exports, worth approximately \$600 million, declined. At the same time, government expenditures for food subsidies continued to rise. Predictably, 1981 food imports, running at about \$2.6 billion, accounted for a greater portion of Egypt's total food requirements. The result was a net deficit of \$2 billion (versus 1980's \$1.3 billion). A food deficit has existed since 1974. For the average Egyptian, per capita demand, especially for food, has increased thanks to more personal income, encouraging evidence clearly visible to this writer returning after a six-year absence. Yet the growing demand for food created greater food dependency; it has spurred the search for a way to pro-

duce more domestically and import less—easier said than done.

Increased investment in food production, which underscores the government's aim to avoid food security, confronts finite amounts of farmable land, labor shortages because of rural outmigration, rising water tables, and salinification. These problems are compounded by bottlenecks in agricultural credit and inefficient cooperatives, research and extension services, conditions which in turn are exacerbated by counterproductive quotas and price control policies. Port congestion and a faulty agricultural distribution network are contributory factors.

Under the best of circumstances, agricultural policymakers face a trade-off between planting cotton (a foreign exchange earner) and wheat (an import substitute). The annual food shortfall is greatest in cereals; 75 percent of the wheat requirement is met by imports. Egypt, famous for its cotton, is able to meet domestic and export requirements, but cotton exports earn much less foreign exchange than they earned earlier.

Total agricultural purchases from the United States alone for fiscal year (FY) 1981 came to \$950 million (of which 48 percent was purchased through some kind of credit program), principally wheat and flour under Title I of PL 480 (the Food for Peace program). The total of \$2.2 billion from all sources was expected to increase to \$2.5 billion in 1982. Much of the bread, chicken and, for that matter, tobacco consumed in Egypt's urban centers is American in origin. Egypt was the recipient of 33.4 percent of all commodities shipped to all countries in FY 1981 under Title I, PL 480.

However, virtually all food "aid" consists of loans, not grants. These loans are available at less than commercial rates, but they must be repaid eventually. The remaining commercial agricultural purchases (52 percent) are a significant drain on the nation's foreign exchange.⁴

CONCLUSION

In the final analysis, the state of the economy may undermine the still popular President. Egypt benefits less from its oil-based revenues than from the economic transactions of the West led by the United States and the economic transactions of the producer states, led until recently by Saudi Arabia. But the blessing of cash flows can lead to social, economic and ultimately political radicalization, of which religious dissent in Egypt and elsewhere is the domestic indication.

A comprehensive peace treaty would bring more stability to the area, reducing the need for military expenditures and restoring development funds for Egypt from the Arab world (although, ironically, funds from the United States might actually decrease). But a comprehensive peace seems further away than

⁴See especially chapter 9 of Khalid Ikram, *Egypt: Economic Management in a Period of Transition, A World Bank Country Economic Report* (Baltimore: The Johns Hopkins University Press, 1980).

ever, and current aid patterns are likely to continue. The Begin government's policies since November, 1977, make Egypt's relations with Israel a political liability. Yet Mubarak, ever the pragmatist, believes in negotiations, perhaps with a successor government in Israel. The size of Egypt's population and its geostrategic location mean that it must be taken into account by the West, by the Soviet Union, by the Arab powers and, it goes without saying, by Israel.

It may well be true that the Palestinian people remain central to the problem; yet achievements by Egypt working with Israel on the autonomy question have yet to win much appreciation inside or outside Egypt. In fact, Egypt's virtual neutralization in the Arab-Israeli conflict may have had the unintended effect of underwriting Israeli expansion. In any event, the piecemeal *de facto* and *de jure* Israeli annexation of lands occupied since the 1967 clash and now the 1982 war continue to impose economic and political constraints on Egypt. ■

U.S. POLICY IN THE MIDDLE EAST: EXPLOITING NEW OPPORTUNITIES

(Continued from page 4)

the role of the American Jewish community in United States-Israel relations, it is worth noting the quite secondary role played by that community and the confusion that frequently attended statements by its various official and unofficial spokesmen. It is not unusual for those leaders with the closest links to Washington to be relatively silent when the government supports Israeli action, as it seemed to be doing at the start of the invasion. American Jewish leaders were embarrassed and confused by the misleading effect of Israeli statements about the 25-mile limit of the invasion, and later, by the Israeli siege of West Beirut. Next, they were confused by the official Israeli response to the Reagan proposals. They were obviously embarrassed and confused by the reports of the massacre, then by the contrast between their own reaction and the reaction of the Israeli opposition, and finally by the anti-Semitic overtones of some of the world press follow-up of the events in the Shatila camp.

The lack of a well-coordinated and politically effective response from the American Jewish community is significant in light of administration efforts to exploit the embarrassment of the Israeli government in order to diminish the Jewish community's opposition to the President's plan. The administration's insistence that Israeli forces leave the Beirut area before United States soldiers disembarked at the Beirut airport was part of the Reagan response to the Begin-Sharon attack on the plan, and so was the deferral of the meeting between Israeli Foreign Minister Yitzhak Shamir and Secretary Shultz at which the Reagan plan was first discussed.

A strong argument can be made that as the costs

and benefits of the United States-Israeli alliance are more clearly understood and as the Israeli government has become more assertive both to the United States government and to the leaders of the American Jewish community, the relationship has become less "special." Through the summer and fall of 1982, the Jewish lobby was not very vocal, not only because it did not know what to do, but because there seemed to be no role for it in the course of the intense diplomatic exchanges between Washington and Jerusalem. The relative quiescence of the Jewish "lobby" may also be in part a function of the unusual reticence of Ambassador Moshe Arens when Sharon was most subject to criticism.

Despite sharp differences of opinion, relations between the United States and Israel remain as strong as ever because of the opportunities afforded by the invasion of Lebanon. Moreover, in keeping with the commendable diplomatic style of this administration, stridency has been minimal and episodic, to be swiftly replaced by a purposive amiability. This pattern has made negotiation easier for Israeli diplomats and it has been greatly appreciated. Nevertheless, there is still no agreement between the United States and Israel on the two major issues: the politico-military transition in Lebanon, and the disposition of the occupied territories, i.e., Judea, Samaria, and the Gaza district, in Israeli parlance.

Whatever may have been Israeli expectations regarding the impact of their Lebanese campaign on the disposition of the occupied territories, they were serious about eliminating any security threat to their northern districts. As far as the Israelis are concerned, the UNIFIL (United Nations Interim Force in Lebanon) proved itself to be inadequate to this task and at times even acted to protect PLO forces from direct or indirect Israeli attack. Nor is an international force similar to the one that has moved into Beirut acceptable to the Israelis; it is already obvious that such a force will eschew close and cooperative contact with the Israelis to avoid appearing to be allied with them, despite the avowed closeness between Israel and the United States. Instead, the Begin government hoped to sign a peace treaty with Lebanon that would provide for Israeli-Lebanese cooperation on border region security, legitimating some form of direct or indirect (via the Haddad militia) Israeli access to the Lebanese side of the border if the PLO returned to south Lebanon.

Former Prime Minister Saeb Salam has said that he thought that President Gemayel would agree to a security agreement with Israel that fell short of a peace treaty. Despite its support for the Camp David agreements, the United States apparently believes that the legitimacy of the Gemayel government will be damaged if Lebanon signs a treaty with Israel before the other Arab states. President Gemayel is likely to ask that the UNIFIL remain in south Lebanon, that the

tripartite international force be increased in size and remain indefinitely, and that the Haddad militia be either disbanded or dispersed among other Lebanese army units. As long as PLO units remain in Lebanon and as long as the Lebanese army has not proved itself, the Americans and the Israelis are likely to disagree on whether it is more important to maintain military control of the Lebanese situation or to build confidence in the new Lebanese government among non-Maronite groups. The Israelis think that Habib relies too heavily on diplomacy alone and that he is inclined to believe that loosely worded agreements will be strengthened in practice rather than exploited as a subterfuge by those who would subvert the government of a Lebanon they could not dominate.

THE ISRAELI REACTION

Begin's sharply worded rejection of the Reagan plan suggests that the Israeli leader was taken by surprise and feared that the United States would frustrate his intention to complete the incorporation of the occupied territories into the Israeli state. Some observers believe that the Begin-Sharon plan has backfired in the sense that the invasion of Lebanon was supposed to have eliminated all moderation among the Arabs and thus would preclude an agreement between Israel and the pro-Western Arabs that would have provided for compromises on territorial questions and on the issue of Palestinian sovereignty. The Israeli interpretation of the Fez proposal of the Arab League Council is consistent with such an observation; nor is it entirely clear that the Israeli invasion has produced the opposite effect of any significant increase in the strength of Arab moderation in or out of the PLO. It is at least as plausible to argue that the Begin-Sharon plan simply intended to influence the views of the West Bank leaders by demonstrating that in 1982 their opportunistic pro-PLO stand, stemming from the relatively free popular elections held in 1976, was irrelevant or worse.

If this speculation holds some truth, then the invasion was of a piece with the policies of West Bank civilian administrator Menachem Milson. Weakening the influence of the PLO on the West Bank might increase Jordanian influence, but the Israeli government was anticipating a renewal of the autonomy talks with Egypt and the United States and it probably planned to produce cooperative West Bank Palestinians to give credibility to the renewed negotiations.

Israel had been led to believe that the United States would press for the reopening of the autonomy talks because various American spokesmen have been repeating the statement that the Camp David agreements were "the only game in town" since they were the only agreements to which the Israelis had consented. The Reagan plan departs from the Camp David framework to a considerable extent, clearly ex-

ploiting the new situation that the Israelis themselves created, but moving away from the goals that the Israelis had in mind. At this stage, it does not seem likely that Begin will be able to block the new American initiative; it is a moderate proposal, and it has received surprising if indecisive Arab support.

AN ISRAELI SETBACK?

It is difficult to take the Reagan proposal as a setback for Israel in an objective sense, though it may frustrate the Begin-Sharon plan. In considering the possible Israeli responses to this United States challenge, it will be necessary to keep a number of factors in mind. First, the Israelis will hesitate to squander the considerable gains they have made in Lebanon even if they are frustrated and angered by the apparent lack of appreciation of their achievement by the United States, by the new Lebanese government, and even by the moderate Arabs. Second, Sharon at least is not trusted in Israel and Israelis will not blindly follow him into political and military adventures that may be either dangerous or of moral dubiety, or both. Third, Egypt is unlikely to cooperate in renewing the autonomy talks even if Palestinian interlocutors are found. Fourth, the United States proposal does not commit the United States to support PLO participation in negotiations for the future of the occupied territories; thus it allows for the participation of West Bank and Gaza representatives that have been handpicked by either Israel or Jordan or both. Finally, it is likely that the Begin-Sharon program took some account of the fact that the reestablishment of the sovereign authority of the Lebanese government might result in the expulsion of large numbers of Palestinians from Lebanon.

Israeli statements to the effect that a Palestinian state already exists and that it is Jordan have unnerved King Hussein—but these statements do not translate into an explicit policy of persuading the Palestinians that their half of the loaf is Jordan. It is, however, to be noted that to some extent the Reagan proposals sustain and do not contradict this Israeli line. Israeli pronouncements that Jordan is Palestine have been interpreted in the light of the traditional territorial aspirations of the Zionist-Revisionists for both banks of the Jordan—but that interpretation makes little sense in context.

Israel wants to reduce the pressure to concede self-determination to a West Bank-Gaza state; it wants to strengthen the pro-Hussein and anti-Arafat inclinations of West Bank leaders; it wants Palestinian Arabs to hold Jordanian citizenship even if they live west of the Jordan; it wants to provide for the transfer of part of the Palestinian population of Lebanon (and of the West Bank) to Jordan; and it wants to intimidate King Hussein by encouraging the PLO to think about setting up a new base in Jordan. Since the Jordanian role is crucial to the success of the Reagan plan, it is rea-

sonable to expect that those who oppose the plan, whether they are Israeli hawks, PLO militants, or Arab rejectionists, will bring pressure to bear on that relatively easily intimidated monarchy.

Despite considerable determined opposition, the United States has gained the initiative with a bold, imaginative and balanced proposal. The question now is whether the United States expects that plan to succeed because of its inherent cogency and justice or whether the administration has a program of further action to allay suspicion, persuade the anxious, and reward those willing to take risks. The boldness of the administration's action lies in its readiness to take on the Palestinian question before the Lebanese situation has been dealt with decisively. It would be tragic if the new opportunities in Lebanon were sacrificed in order to pursue the still elusive goal of a solution to the Palestine problem. It is important that we see the Lebanese matter through to a clear and decisive conclusion, settling for nothing less than a restoration of constitutional authority and the withdrawal of all foreign forces. If Lebanon again becomes a base for PLO action against Israel, then all the efforts to find a Palestinian-Israeli solution will fail.

The assassination of Bashir Gemayel must serve as a continuing reminder of the fragility of the government in Lebanon. There is little depth or breadth to the governing coalition, and it may well not be able to survive powerful blows either from within or from Syria. The Lebanese army is still a long way from being able to control the country, and neither the international force nor the UNIFIL can do the job in its stead. The United States should not be misled by its own rhetoric, and it must face the prospect of keeping American troops in Lebanon for a long period and even adding to their number. It is unrealistic to expect an Israeli military withdrawal without a written agreement affirming some security arrangements. If such an agreement would seem to weaken the legitimacy of the Gemayel government too much, then the evacuation of foreign troops will have to be slowed down.

THE JORDANIAN OPTION

The Jordanian option assumes that with Saudi, Egyptian, Israeli and American help, King Hussein can lead the Palestinian national movement and control the PLO while purging it of its most extreme elements. It assumes that the Jordanian political system is strong enough and that its elite is versatile and independent enough to digest the Palestinian movement and still maintain its moderation and its current foreign policy orientation. That option assumes that Jordan can accept many thousands of additional Palestinian immigrants, that it can sustain continuous and possible acrimonious negotiations with a tough Israeli government, and that it can build political institutions that may outlast the present generation. If these as-

sumptions are incorrect, it is not likely that the King will go along with the program. Arafat might be encouraged to go along with the American plan in anticipation of the collapse of Jordan's monarchy, but his own hawks are too impatient for that.

The Israelis might also be willing to accept what they call an "Arafatist" state on the East Bank if they did not have to concede the occupied West Bank and Gaza as well. The question, then, is what is the United States willing to concede. Does the United States take into account the possible consequences for the government of Jordan of the Reagan plan? And do we have any backup plan to sustain that government in the unlikely case that our diplomatic initiative is accepted by all concerned?

It is hard to imagine that the PLO will accept the American plan and agree to negotiate within a framework that places the prospect of a Palestinian state in such doubt. The PLO will insist that an independent Palestinian state come into being before accepting any form of association with Jordan, but that transitional period is unlikely to last longer than the blink of an eye. The crucial issue is going to be the Palestinian status within the federation and the residual control exercised by Israel. In regard to these two matters, the negotiating position of the PLO will be greatly improved if the Palestine National Council (PNC) officially accepts UN Resolution 242, but that continues to be unlikely.

The PLO is clearly under tremendous pressure. Its losses in Lebanon have been enormous. It can still command a great deal of sympathy, but its political leverage is nearly gone. It does not appear that the PLO is in a position to take the initiative at this time. It is so thoroughly on the defensive now, that it may not be able to resist any solution that is thrust upon it. Syria and Libya are openly hostile to Arafat. Iraq supports Arafat's sworn enemies. Jordan and Egypt are willing to support Arafat if he commits himself to peace with Israel. Saudi Arabia will not push Arafat so far, but the Saudis are anxious to see the problem resolved. The American plan all but eliminates the option of a mini-Palestinian state on the West Bank and in Gaza, unless the Israelis come to realize that such a state is a safer option than the transformation of Jordan into a real Palestinian state.

The key to any solution remains the disposition of the occupied territories. Either they are kept by Israel, or they are transferred to Jordanian control, or they become the territorial base for a Palestinian state. Arafat might be able to realize the third alternative if he could both change the PLO charter and persuade the PNC to recognize Israel on the condition that Israel agree to the establishment of what Ambassador Tahseen Basheer of Egypt calls an Arab Luxembourg on the West Bank and in Gaza. At the moment, however, the PLO is not the master of its fate.

THE FEZ PROPOSALS

The Fez proposals of the Arab League Council of September 9, 1982, are not quite so conciliatory as were the proposals of the Fahd plan, which tried to lay the groundwork for a general Arab-Israeli peace. But the Fez proposals did receive general Arab backing, and they envisaged an end to Arab-Israeli hostility. The proposals also contradicted the Reagan plan by insisting on the establishment of a Palestinian state within undefined boundaries. The moderate Arab states sought to respond favorably to the American initiative while maintaining both a semblance of solidarity and the myth of a PLO political victory as a consequence of the siege of Beirut. The military option has been laid aside for the time being at least, because it would be extremely counterproductive not only for the PLO but for Syria, Saudi Arabia and Jordan as well. Political emphasis is still placed on persuading the United States to recognize the PLO while extending the diplomatic legitimacy of the PLO among other European countries.

But the PLO itself has been unable to make any political concessions. It is hopelessly unrealistic to expect that any Israeli government will concede any degree of self-rule to the Palestinians without negotiating an agreement in a direct and face-to-face contact legitimated by Palestinian recognition of Israel. If the PLO cannot bring itself to approach such a posture, then it is likely that the Reagan initiative will become the first step in the reassessment of the very nature of Palestinian rights. If the Reagan initiative succeeds, then it is likely that the legitimate rights of Palestinians will be interpreted as less than sovereign. In the eyes of the world, the Palestinians will revert to what they were prior to 1967—a particularly unfortunate segment of the much larger Arab national community, but one which needs not and will not become a distinct political unit.

At the end of 1982, there seems to be some basis for cautious optimism regarding the Middle East situation. One can look forward to the gradual withdrawal of foreign forces from Lebanon as the Lebanese government grows in support and self-confidence. The next months may see increasingly frequent discussions between King Hussein and the PLO leadership as they struggle to work out their respective shares in a single sovereignty. Syria has also learned a sobering lesson, and it is possible to hope that under the influence of Saudi Arabia and in the persuasive expectation of improved relations with the United States, the Syrians will try a more conciliatory approach in their attempt to regain the Golan Heights. If the Arab states and Israel are set on the path of peace, it will be relatively easy for Egypt and the other Arab states to become reconciled and for Egypt again to play a significant role in regional Arab affairs. And the Iranians may remain bogged down in their effort to

reach Baghdad and win the war against Iraq.

But this vision may be overly optimistic. There is still no firm agreement for the withdrawal of all foreign troops from Lebanon, and there is reason to believe that it will be difficult to get such an agreement. The skill and determination of the Gemayel government have not been tested, nor has Gemayel established his willingness to treat the Muslim population fairly. Syria has been intimidated for the moment, but the Soviet Union has resupplied the Syrian army. The ruling Alawi minority in Syria is as ready as ever to use deadly force to remain in power, and it is not yet clear that it will actually abandon its Lebanese adventure. Syrian power may not avail against Israel, but it can deter Israeli tactical maneuvers, and it can certainly threaten Jordan if it pursues too forward a Palestinian policy. Syria still supports the Iranian government, and an Iranian success in the war with Iraq can change the situation in the western part of the Middle East suddenly.

OTHER PROBLEMS

Israel, too, may feel backed against the wall if it cannot get the guarantees it wants in Lebanon and if it is compelled to give up the occupied territories without suitable political compensation. Israel is easily capable of bringing pressure to bear on Jordan and on the population of the occupied territories to forestall or subvert an unwanted imposed settlement. The events in Lebanon have demonstrated the strength of the Israeli-Egyptian treaty, but they have also suggested that there are circumstances in which the Egyptians will feel compelled to act even if it means breaking relations with Israel and asking the international force to leave the Sinai. Finally, the extreme caution that has characterized Soviet policy since June 6 may be abandoned in the event of a more pessimistic unfolding of the situation or as a result of the improvement of the Soviet situation elsewhere in East Europe or in central Asia.

In the Middle East, the United States faces promising but dangerous opportunities. The Reagan administration may have the skill and resourcefulness required to make the most of these opportunities, but time may be running out. President Reagan is fond of saying that he intends to stay the course, but more than patience and perseverance, which are appropriate in the context of American politics, may be necessary in the rapidly developing situation in Lebanon. ■

LEBANON IN DESPAIR

(Continued from page 18)

which was the strongest and best organized of all the Lebanese militias. Bashir had been personally involved in the fighting around the camp of Tell al-Zatar which was overrun by the rightist forces in 1976 and in which

several thousand Palestinians were killed. He had also supervised the destruction of the Qarantina district of Beirut which housed thousands of poor Muslims. He was known as a tough military man and was anathema to the Palestinians and many Muslims. Even within the Christian community he had enemies. In 1978 his forces had attacked those of Suleiman Franjeh and killed the former President's son and family. In 1980 he consolidated his power by destroying the military might of his ally, former President Camille Chamoun. In a country of 3 million probably over half the population either feared or hated him.

According to the Lebanese constitution, Parliament elects the President. It was clear that Bashir, depending in large part on the predominance of Israeli military might, would be elected if a quorum could be gathered. On the day of the election, August 23, 1982, only 56 members of Parliament appeared, six short of a quorum. The rightists were able to coerce six additional deputies to appear and on the second ballot Gemayel was elected without a dissenting vote.

Bashir Gemayel's victory would not have been possible without Israel's occupation. The President-elect's father had tried unsuccessfully for four decades to be elected. But the honeymoon between Bashir and the Israelis lasted only a week. Led by Defense Minister Sharon, the Israelis pressed hard for an immediate peace treaty between Lebanon and Israel. However, as President, Gemayel had to consider other factors. He realized he could not rule the country effectively without Muslim support. He also represented a business class whose natural market was the Arab world and he wanted to make sure that his country was not isolated as Egypt had been after it had made a separate peace with Israel. After his election Bashir Gemayel began to change from an openly pro-Israeli stance to a more neutral one. He argued that there would be no peace treaty unless the Lebanese people agreed to it.

Compounding the peace treaty problem were other differences. Israel wanted the half million Palestinians in Lebanon to settle there while the Phalangists have argued for 30 years that the Palestinians ought to be allowed to return home (and thereby to leave Lebanon). Furthermore, Gemayel demanded of the Israelis that they turn over control of the south to the government in Beirut. He went so far as to threaten to put Major Haddad on trial for desertion.

Bashir Gemayel wanted all non-Lebanese forces out of Lebanon, whether Israeli, Palestinian, or Syrian. He wanted breathing space to broach the topic of a Lebanese-Israeli peace treaty with the Lebanese and still keep Lebanon in the Arab community. He had no opportunity to implement any of his goals because on September 14 he was assassinated. The Gemayel family at first suspected Israel, because of the anger ap-

parently felt by Israeli officials that Gemayel was not as much their puppet as they had hoped. More likely it was the work of a Lebanese, since Gemayel's domestic enemies were legion.

The following day Israeli troops moved into West Beirut "to ensure quiet."⁷ The advance was followed by the massacre of several hundred Palestinian civilians in two refugee camps in the city. No one will ever know how many people were killed in the three days of barbarism that began on September 26. Estimates of 2,000 are probably correct. The killings have caused a great deal of anguish among Israelis, because the assassins were rightists who were armed and given tactical support by Israel during the massacre. But the major responsibility for the killings rests with the Christian Lebanese Right. The aim of the attack was apparently to revenge the supposed Palestinian responsibility for Lebanon's woes and to panic the Palestinians into fleeing Lebanon.

The massacre shook the world because of its brutality and because it implicated both the United States and Israel. Israel had given guarantees to President Reagan that it would not enter West Beirut once the PLO pulled out. Instead, Israel moved into West Beirut and then permitted its Christian allies to attack the refugee camps. The United States was also responsible because it had guaranteed that no harm would come to civilians who remained in Lebanon after the PLO left. The MNF was supposed to prevent such acts but it had made a hasty exit from Lebanon after the PLO evacuation ended. Shaken by the killings, the United States, France and Italy reassembled the MNF and it again landed in Beirut in late September. Its mandate was enlarged to helping the Lebanese army regain control of Beirut. It may remain until Syria, Israel and the PLO have left Lebanon.

Virtually overshadowed by the events in West Beirut, the Lebanese Parliament elected its second President in one month when it chose Bashir's older brother, Amin. He took office on September 23, two days after his election.

FUTURE PROSPECTS

In one year Lebanon has endured an Israeli invasion and occupation, the siege of Beirut and destruction there totaling perhaps \$7 billion, death and devastation in the remainder of its territory, the withdrawal of the PLO forces who were the main supporters of the Left, the assassination of a President-elect, two presidential elections, the massacre of 2,000 civilians, and Western troops landing twice to help impose order. Any one of those events would have been traumatic; together they have put an immeasurable burden on any hopes for the reemergence of an independent Lebanese state.

Today, Israeli and Syrian forces are apparently committed to withdrawing from Lebanon, although

⁷The Christian Science Monitor, September 16, 1982, p. 7.

Lebanon is unwilling to sign a peace treaty with Israel. Lebanon will apparently have to permit the demilitarization of a 30-mile buffer zone on the Israeli border.

If these things are accomplished will Lebanon's problems be solved? Absolutely not. Those who have said in the past that the PLO and other non-Lebanese were the cause of Lebanon's problems can disabuse themselves of that idea. The civil war that began in 1975 began over very real issues that have yet to be addressed. There is a need for the redistribution of power. The Maronite community will have to give up some of its political advantages if there is to be any hope of national reconciliation. Amin Gemayel is better suited for this task than was his brother. This will be especially difficult since the Maronites and their allies are paramount in Lebanon today. The militias of all sides including Major Haddad's must be disarmed so that the Lebanese Army is the only armed authority. If the country is to be reunited, the south of the country must be removed from Israeli domination.

In addition, the Palestinians and their Lebanese allies must have some hope for their future. Toleration and forgiveness need to dominate the desire for revenge. Everyone must share this responsibility.

There is a joke in Lebanon about a line in the national anthem which goes, "All of us are for the Homeland." Many Lebanese sing it, "All of us are jumping on the Homeland." Perhaps this ability to interpret a tragic period in Lebanon's history with ironic humor speaks to the resiliency of the Lebanese people. They have the capability to rebuild Lebanon. ■

IRAN'S YEAR OF TURMOIL

(Continued from page 31)

Baghdad anecdotes ridiculed Iranian soldiers who thought they would go straight to heaven or who possessed invisibility because of the Ayatollah's blessings.

Iraq is also capable of patriotic fervor. When Saddam Hussein broke into tears on television in January, 1982, while discussing Iraqi casualties, this action—usually deemed unmanly among Arabs—was approved as a sign of his genuine concern for the country's losses. The growing length of Iranian supply lines and the vacillation of Iranian tactics also helped Baghdad. Now it is Teheran that plays the dangerous game of pinning military hopes on an internal revolt.

So far, the Iraqi Shias have remained quiet. This is partly due to the Baathist regime's ferocious repression of anyone who might conceivably lead that group against the government. About 100,000 Iraqis of Persian descent have been expelled from the country in recent years. Almost all the remaining Shia are Arabs, subject to Arab nationalist appeals against the Persians, and the Shia community has never had a strong organization or group consciousness. Some of the 40,000 Iraqi prisoners taken by the Iranians seem to espouse

the Islamic cause through conviction or opportunism, but this has not yet spread into the general population. Western commentators who predicted an easy Iranian walkover and tidal waves of Islamic revolution and Shia uprising across the region are largely ignorant of these factors.

Nevertheless, it is hard to see Iran ending the war as long as Saddam Hussein remains in power. Iran's minimal demands include a return to the international border along the Shatt al-Arab river, reparations, Iraq's admission of war guilt, and Saddam's removal. Its maximum goal is an Islamic fundamentalist regime in Iraq aligned to Iran. As the influential Ayatollah Musavi-Ardabili put it, "Nothing will make up for our martyrs except the fall of Saddam and the destruction of the Baath party." This objective will not be easily achieved. Iraq is no less bloodthirsty. "All the mullahs [in Iran's leadership] have to be killed one by one—executioner Khomeini being the first to die," says one of their recent broadcasts.

CONCLUSION

Although Iran's Islamic Republic is surviving, Iran nonetheless faces a worsening position in 1983, with economic strains, continuing antigovernment urban guerrilla warfare and assassinations, and an ongoing slow erosion of the government's power base. Ending the war with Iraq would help Teheran to cope with these problems, but Khomeini's inflexible line refuses compromise. Given these factors, Iran can expect to see more upheavals and sharp political turns in the coming months. ■

BOOK REVIEWS

(Continued from page 32)

THE MIDDLE EAST AND THE UNITED STATES: PERCEPTIONS AND POLICIES. Edited by Haim Shaked and Itamar Rabinovich. (New Brunswick, New Jersey: Transaction Books, 1980. 419 pages and index, \$24.95, cloth; \$6.95, paper.)

The editors have selected contributions from many scholars, most of them from countries other than the United States. The papers deal with the various perceptions held by the people of the Middle East and the United States about one another; they also explore the major issues affecting the countries of the area. O.E.S.

POVERTY AND REVOLUTION IN IRAN. By Farhad Kazemi. (New York: New York University Press, 1981. 180 pages, bibliography, notes, tables and index, \$17.50.)

Farhad Kazemi writes about "the poor migrants who left the rural areas of Iran . . . and settled in the squatter settlements, the slums . . . of Tehran." O.E.S. ■

THE MONTH IN REVIEW

A Current History chronology covering the most important events of November, 1982, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Caribbean Conference

Nov. 18—The leaders of the 12 English-speaking countries of the Caribbean (known as Caricom) conclude 3 days of meetings in Ocho Rios, Jamaica.

General Agreement on Tariffs and Trade (GATT)

Nov. 29—The 88 members of GATT end their meeting; they reaffirm their political commitment to free trade and agree on ways to strengthen world trade, despite reservations by the Common Market nations who do not want to phase out their agricultural subsidies.

Iran-Iraq War

Nov. 1—Iran announces that it has launched its 3d offensive this year.

Nov. 7—Iran reports that its forces have crossed into Iraq for the first time in 3 months.

Nov. 21—Iraqi state radio reports the sinking of 5 tankers at Iran's Kharg Island.

Nov. 22—Iraq says it has driven Iranian forces from territory captured during the November Iranian offensive.

Madrid Conference on Security and Cooperation in Europe

Nov. 9—The 2-year Madrid conference resumes its sessions; it has been in recess since March.

Middle East Crisis

Nov. 9—According to the semiofficial Egyptian newspaper *Al Ahram*, the Palestine Liberation Organization (PLO) is demanding that the U.S. agree to talks with the PLO; the group also wants the U.S. to guarantee a place for the PLO in Middle East peace negotiations on the same basis as other Arab parties in exchange for PLO recognition of Israel.

Nov. 26—In Damascus, the 60-member Central Council of the PLO rejects U.S. President Ronald Reagan's plan for self-rule for the Palestinians in association with Jordan in Israeli-occupied territory; the Council does not mention Israel's right to exist.

North Atlantic Treaty Organization (NATO)

(See U.S., *Foreign Policy*)

Organization of African Unity (OAU)

Nov. 25—OAU leaders give up efforts to convene a meeting of the organization in Tripoli; they are unable to agree on the representation for Chad and are unable to hold a 19th summit because they lack a quorum.

United Nations

(See also *United Kingdom, Great Britain*)

Nov. 4—The General Assembly votes in favor of a resolution asking Britain and Argentina to negotiate over the Falkland Islands; 90 countries, including the U.S., approve the resolution, 12 oppose, and 52 abstain.

Nov. 29—The General Assembly votes 114 to 21 for the

"immediate withdrawal of foreign [Soviet] troops from Afghanistan."

ALBANIA

Nov. 17—The official press agency reports that there was only 1 vote against the government's single slate of candidates for Parliament in the November 14 elections.

Nov. 23—Communist party chief Enver Hoxha replaces 10 Cabinet ministers; Ramiz Alia was named head of state by Hoxha on November 22.

ANGOLA

(See also *South Africa*)

Nov. 16—The government releases 3 Americans in exchange for 3 Soviet prisoners held by guerrillas.

ARGENTINA

(See also *Intl, U.N.*)

Nov. 4—The military government permanently shuts down 3 magazines for publishing articles that "perturb the harmonious relations on which the present authorities are embarked."

Nov. 5—*The New York Times* reports that at least 1,000 unidentified bodies in unmarked graves have been found in the last 3 weeks; human rights leaders say the dead were victims of the military's crackdown on leftist terrorism.

Nov. 17—It is reported that President Reynaldo Bignon has rejected an offer by U.S. President Ronald Reagan to meet during President Reagan's trip to South America in December.

BOLIVIA

Nov. 6—President Hernán Siles Zuazo announces new economic measures that raise the price of gasoline and public transportation; he also announces price controls on selected grocery items in order to curtail the country's severe recession.

BRAZIL

Nov. 24—Preliminary results of elections held on November 15 show that a majority of the votes were cast for opposition parties; however, the government party has received about 30 percent of the vote, enough to control the electoral college and elect the next President. This was the first free election in Brazil since 1965.

Nov. 25—The government is reportedly seeking a \$2-billion to \$3-billion loan from international banks in order to cover its foreign debt payments for the 1st quarter of 1983. Brazil's foreign debt is about \$85 billion.

CAMBODIA

(See *China*)

CAMEROON

Nov. 4—President Ahmadou Ahidjo says he is resigning the position he has held since 1960.

CHAD(See *Intl, OAU*)**CHINA**

Nov. 18—Foreign Minister Huang Hua returns from Moscow, where he attended the funeral of Soviet President Leonid Brezhnev and met with Foreign Minister Andrei Gromyko. Hua says he is optimistic about further "consultations" with the U.S.S.R.

Nov. 19—Prime Minister Zhao Ziyang says that improved relations with the U.S.S.R. are dependent on the removal of Soviet threats to China.

The government announces that Wu Xueqian has replaced Huang Hua as Foreign Minister and that Geng Biao has been replaced by Zhang Aiping as Defense Minister.

Nov. 21—Prime Minister Ziyang says that China does not especially favor the Communist element in the Cambodian coalition government-in-exile that is fighting the Vietnamese.

Nov. 26—Peng Zhen, deputy chairman of the standing committee of the National People's Congress and a member of the ruling Politburo, says that the new draft constitution would allow Taiwan "a high degree of self-government" as part of a special "administrative zone" of China.

Nov. 28—A Foreign Ministry spokesman says Vietnam is trying to seize a large part of the Tonkin Gulf and the disputed Paracel and Spratly Islands.

Nov. 30—Prime Minister Zhao Ziyang submits China's 6th five year plan to the National People's Congress after a 2-year delay. The plan calls for a "safe and appropriate" 4-percent annual growth rate.

COSTA RICA

Nov. 5—Speaking in Washington, D.C., President Luis Alberto Monge says his country needs economic support, not military aid, from the U.S., in order to stop the "aggressive expansionist offensive" of Communists in Central America.

CUBA(See *South Africa*)**EGYPT**

Nov. 30—President Hosni Mubarak arrives in India for a 2-day visit.

EIRE

Nov. 4—Prime Minister Charles J. Haughey's government loses a vote of confidence in Parliament.

Nov. 25—Prime Minister Haughey's party fails to win a majority in yesterday's general elections. Parliament will meet on December 14 to elect a new Prime Minister.

EL SALVADOR(See also *U.S., Foreign Policy; Vatican*)

Nov. 4—Responding to criticism of the Salvadoran legal system and charges of human rights abuses made by U.S. Ambassador Deane Hinton, Defense Minister José Guillermo García says that there are problems with the legal system, and that the Ambassador's figure on the number of people murdered was "the wrong figure . . . an unfair figure."

Nov. 15—A criminal court judge orders 5 former National Guardsmen to stand trial for the 1980 murder of 4 U.S. churchwomen.

FRANCE(See also *Lebanon; U.S., Foreign Policy*)

Nov. 1—The government drops its 4-month program of wage and price freezes; a new program of selective price regulations is adopted instead.

Nov. 5—At a joint news conference with British Prime Minister Margaret Thatcher, President François Mitterrand says U.S. sanctions against West European firms supplying material for the Soviet natural gas pipeline should be removed. Both leaders say that they cannot offer any concessions to the U.S. that would lead to a unified trade policy toward the U.S.S.R. if the sanctions are dropped.

Nov. 27—The government announces that it has formally agreed to supply enriched uranium to India for use in its nuclear reactor.

GERMANY, WEST

Nov. 8—Defense Minister Manfred Wörner warns the U.S. that failure to deploy the Pershing 2 missile in 1983 would "trigger very, very serious consequences" for the U.S. and West Europe.

GHANA

Nov. 24—Flight Lieutenant Jerry J. Rawlings, head of the military government, says an attempted coup that began November 23 has been crushed.

GREECE

Nov. 1—Negotiations with the U.S. resume over the renewal of an agreement that allows U.S. military bases in Greece.

Nov. 4—Prime Minister Andreas Papandreou announces that Greece has reached an agreement with the Romanian government to hold a conference with the Balkan states on the possibility of a Balkan nuclear-free zone.

HONDURAS(See *Nicaragua*)**INDIA**(See *Egypt; France; Pakistan*)**INDONESIA**(See *U.S., Foreign Policy*)**IRAN**(See *Intl, Iran-Iraq War*)**IRAQ**(See also *Intl, Iran-Iraq War*)

Nov. 16—President Saddam Hussein says his country's treaty with the U.S.S.R. "has not worked" because the Soviet Union has cut its supplies of war matériel to Iraq.

ISRAEL(See also *Jordan; Lebanon*)

Nov. 3—The Foreign Ministry reports that at least 7,000 Palestinian guerrillas are still in Lebanon and that between 2,000 and 3,000 guerrillas evacuated from West Beirut in August have returned to the Bekaa Valley.

Nov. 8—Prime Minister Menachem Begin testifies before the commission investigating the Sabra-Shatila murders; he says he was not informed ahead of time of the decision to send Christian militiamen into the camps.

Nov. 11—An Israeli intelligence officer says that an aide to Defense Minister Ariel Sharon was "not speaking the truth" when he testified before the commission on the Sabra-Shatila murders that there were no reports of civilian murders on September 17; the officer says the aide was told on the morning of September 17 that a massacre of civilians was under way in the camps.

Nov. 17—Lebanese Major Saad Haddad, head of the Christian militia in southern Lebanon, tells the Sabra-Shatila commission that none of his men participated in the massacre.

Nov. 18—Communications Minister Mordechai Zipori testifies before the Sabra-Shatila commission; he says he told Foreign Minister Yitzhak Shamir of a reported massacre on the morning of September 17.

Nov. 21—Following pressure from the U.S., the West Bank civil administration drops the requirement that foreign teachers pledge not to support the PLO; 22 teachers have been expelled for refusing to sign the pledge.

Nov. 23—*The New York Times* reports that military officials have issued a directive telling administrators in the occupied West Bank to continue pressuring "extremist mayors"; the directive also says that there "must be a maximum continuation of neutralizing pro-Jordanian Palestinians."

Nov. 24—Foreign Minister Shamir tells the Sabra-Shatila commission that there was no mention of a massacre in the phone call he received from Communications Minister Zipori on September 17.

The Sabra-Shatila commission notifies Prime Minister Begin and 8 other top Israeli officials that they have 15 days to retain lawyers or ask to reappear before the commission and expand their testimony; the commission warns the leaders that they are "liable to be harmed" by its findings.

ITALY

(See also *Lebanon; Vatican*)

Nov. 13—For the 2d time in 3 days, Prime Minister Giovanni Spadolini resigns. President Sandro Pertini refused the Prime Minister's first resignation. Spadolini says that his 5-party coalition is too fragmented to wield power.

Nov. 16—Amintore Fanfani, president of the Senate, is asked to form a Cabinet.

Nov. 30—Fanfani tells President Sandro Pertini that he will form a 4-party coalition Cabinet; he does not name its members.

JAPAN

Nov. 2—The government announces that it will file a formal complaint with the International Whaling Commission over the group's decision to ban all commercial whaling in 3 years.

Nov. 24—Yasuhiro Nakasone wins 58 percent of the vote to become the president of the ruling Liberal Democratic party.

Nov. 26—Yasuhiro Nakasone is elected Prime Minister by Parliament.

Nov. 27—Prime Minister Nakasone gives his 1st news conference; he says Japan's defense programs "have not been adequate" and that a build-up is necessary to "uphold unity and cooperation with the United States and the free nations of Europe."

JORDAN

Nov. 17—King Hussein says that Israel has "unlimited

ambitions" and is creating "insurmountable obstacles" to Middle East peace by continuing to build new settlements on the West Bank.

LEBANON

(See also *Israel; U.S., Foreign Policy*)

Nov. 9—The 91-member Parliament votes 58 to 1 (with many abstentions and absences) to allow the government to rule by decree for 6 months.

Nov. 13—The Israeli military command in Jerusalem announces that the death toll in the November 11 explosion at Israel's military headquarters in southern Lebanon has reached 89, including 75 Israelis.

Nov. 21—Shiite Muslims who claim to be followers of Iran's Ayatollah Ruhollah Khomeini seize the town hall in the eastern Lebanese city of Baalbek and take over the streets, in protest against the Gemayel government.

Nov. 22—It is reported from Beirut that Shiites attacked a Lebanese Army barracks in Baalbek earlier today and held it for 2 hours before retreating.

Nov. 29—President Gemayel asks the U.S., France and Italy to increase their contingents of the multinational peacekeeping force; government sources say Gemayel wants at least 5,000 more troops.

MADAGASCAR

Nov. 26—Didier Ratsiraka is formally proclaimed the winner in the November 8 presidential election. The Constitutional High Court announces that Ratsiraka received 80.17 percent of the vote.

MALAYSIA

(See *Romania*)

MEXICO

Nov. 10—At a news conference in Mexico City, Foreign Minister Jesus Silva Herzog announces that the government has accepted standards set by the International Monetary Fund (IMF) and will establish an austerity program in order to qualify for \$3.84 billion in credit over the next 3 years.

Nov. 18—In Mexico City, "unidentified" foreign bankers announce that foreign banks will lend Mexico \$1 billion in emergency credit and will allow Mexico to postpone the scheduled repayment of principal on its \$80-billion foreign debt until March, 1983.

Nov. 23—It is reported by *The New York Times* that at a private meeting in New York last week the managing director of the IMF asked commercial banks to extend up to \$6.5 billion in new credit to Mexico over the next 13 months.

NETHERLANDS

Nov. 22—In a policy statement to Parliament, the new center-right government officially announces a public sector wage freeze and sharp spending cuts of about \$4.7 billion next year to reduce the official deficit. Public sector unions call immediately for "massive and lengthy strikes."

NICARAGUA

(See also *U.S., Foreign Policy*)

Nov. 19—Deputy Foreign Minister Victor Hugh Tinoco says his government is expecting attacks from exile rebel forces in Honduras in the next few weeks.

Nov. 29—Sergio Ramirez Mercado, a member of the ruling junta, says in an interview that President Ron-

al Reagan's visit to Honduras this week will encourage the Hondurans to support the "counterrevolutionaries" in their country who are staging border raids on Nicaragua.

PAKISTAN

Nov. 1—In an effort to improve their relationship, President Mohammad Zia ul-Haq meets with Indian President Indira Gandhi in New Delhi; they agree to establish a joint commission to deal with problems of trade, cultural exchanges, communications and travel between their two countries.

PHILIPPINES

Nov. 13—Solicitor General Estalito Mendoza says that the U.S. is not giving the Philippines enough foreign aid in exchange for U.S. use of military bases in the Philippines, but he is not formally demanding more aid.

Nov. 28—President Ferdinand Marcos says he will prosecute priests who aid anti-government guerrillas.

POLAND

Nov. 3—A brief communiqué announced by 503 Western banks and Poland's Bank Handlowy announces that Western bankers and the government of Poland have signed an agreement deferring for 8 years the repayment of 95 percent of Poland's 1982 \$2.4 billion debt principal owed to Western banks.

Nov. 8—It is announced in Warsaw that Pope John Paul II will visit Poland in June, 1983.

Nov. 10—The call for a national strike by underground leaders of the outlawed labor union Solidarity is generally unsuccessful; however, in Cracow, demonstrators battle with riot police.

Nov. 12—The government orders the release of Solidarity leader Lech Walesa after 11 months of captivity.

Nov. 14—Walesa returns to his home in Gdansk.

Nov. 25—In London, official sources reveal that Polish government officials have promised to end martial law in Poland in mid-December.

Nov. 27—In Warsaw, underground Solidarity leaders declare that they have canceled plans for a series of protests in December.

Nov. 29—The government announces the forthcoming release of 327 people interned under martial law; at least 1,000 are still in detention.

PORTUGAL

Nov. 20—In what is regarded as a protest gesture, President António Ramalho Eanes vetoes a law transferring control of the armed forces to the rightist government.

ROMANIA

Nov. 27—In Kuala Lumpur, President Nicolae Ceausescu and Malaysian Prime Minister Mahathir Mohamad issue a joint communiqué calling for complete disarmament. Ceausescu has also visited Indonesia and Singapore.

SOUTH AFRICA

Nov. 9—J. Chris Heunis, Minister of Constitutional Development and Planning, says that no blacks will be included in the projected 3-chamber Parliament.

Nov. 19—In Windhoek, Prime Minister P. H. Botha begins a 2-day conference on Namibia.

Nov. 20—Dirk Mudge, a white rancher of Afrikaner

origin who is chairman of Namibia's nominally governing Council of Ministers and a leader of the Democratic Turnhalle Alliance, refuses to resign to allow Botha to install a black-led government in Namibia.

Nov. 26—In Washington, D.C., Botha refuses to approve a plan to replace Cuban troops in Angola with a foreign peacekeeping force to facilitate negotiations on independence for Namibia.

SPAIN

Nov. 3—Announcing plans for an orderly transition, Prime Minister-elect Felipe González says he will name his Cabinet and take office on December 9.

Nov. 4—General Victor Lago Roman is assassinated in Madrid; police suspect Basque separatist guerrillas.

Nov. 20—The Defense Ministry announces that a Spanish colonel has been charged with conspiracy to stage a coup against the government.

TAIWAN

(See *China*)

THAILAND

(See *U.S., Foreign Policy*)

TURKEY

Nov. 4—In Cologne, West Germany, the Turkish consulate is seized by 9 Turkish gunmen; all hostages are later released and the terrorists are taken into custody.

Nov. 5—After a 2-week all-country trip, General Kenan Evran, leader of the National Security Council, ends his campaign by appealing for approval of the new constitution.

Nov. 7—Voters overwhelmingly approve a new constitution that includes the election of Evran as President for a 7-year term.

Nov. 12—Evran becomes the nation's 7th President.

U.S.S.R.

(See also *Intl, U.N.; China; Iraq; Italy; U.S., Foreign Policy*)

Nov. 1—In Moscow, Western newsmen are refused entry to a building where a group of pacifists is scheduled to hold a news conference.

Nov. 4—Nobel Peace Prize winner Andrei D. Sakharov is told by the public prosecutor in Gorky to stop making public statements.

Nov. 7—At a reception in the Kremlin following the military parade that celebrated the 65th anniversary of the Revolution, President Leonid I. Brezhnev warns that any potential aggressor against the Soviet Union will suffer a "crushing retaliatory strike."

Nov. 10—After a long illness, Brezhnev dies at the age of 75.

Nov. 12—The Communist party's central committee names Yuri V. Andropov, former head of the KGB (the secret police), as General Secretary, to succeed Brezhnev.

Nov. 15—Brezhnev is buried in Red Square after an elaborate state funeral.

Nov. 18—Prime Minister Nikolai A. Tikhonov says that the Soviet Union shares U.S. President Ronald Reagan's hope for better relations with the Soviet Union.

Nov. 22—Andropov tells the party's central committee that the Soviet Union will try to reach détente with the U.S., but will not make "preliminary concessions" or engage in any kind of "unilateral disarmament."

Nov. 23—Tass, the official press agency, terms the U.S.

plan for deploying the MX missile a "new and dangerous step" in an escalating arms race.

Nov. 24—Geidar A. Aliyev is named a First Deputy Prime Minister by the Supreme Soviet; the post of President of the Soviet Union, held by the late Leonid Brezhnev, is not filled. Aliyev became a full member of the Politburo November 22.

UNITED KINGDOM

Great Britain

(See also *Intl, U.N.; France*)

Nov. 3—As a new parliamentary session opens, Queen Elizabeth II affirms the Conservative government's plan to continue its policies aimed at controlling inflation, noting that the government is also "deeply aware of the anxieties and distress caused by unemployment," which has risen to 13.8 percent.

Nov. 4—In London, Foreign Secretary Francis Pym criticizes the U.N. resolution calling for negotiations to solve the Falkland Islands dispute; he rejects the resolution.

Nov. 10—Geoffrey Arthur Prime receives a 35-year prison term for espionage.

Nov. 29—Hugh Hambleton, a Canadian professor and former economist with NATO, goes on trial in London for having passed secret information to the Soviets from 1956 through 1979.

UNITED STATES

Administration

Nov. 3—The Treasury Department reports that the Social Security old-age trust fund will borrow \$1 billion from the Social Security disability benefits trust fund on November 5 to help cover November's benefit payments.

Nov. 5—President Ronald Reagan nominates Under Secretary of the Interior Donald P. Hodel as Secretary of Energy, succeeding James B. Edwards.

Nov. 8—The Social Security Administration announces that in 1983, \$35,700 of an individual's earnings will be subject to the 6.7 percent payroll tax.

Nov. 11—At a news conference, President Reagan says that "foreign agents were sent to help instigate and help create [the nuclear freeze movement] and keep such a movement going."

Nov. 15—In Los Angeles, U.S. district court Judge Terry J. Hatter Jr. dismisses charges against draft registration resister David Wayte. According to Judge Hatter, the 1980 draft registration law was not properly promulgated by President Jimmy Carter.

Nov. 18—Meeting in Washington, D.C., the National Conference of Catholic Bishops overwhelmingly endorses a proposed pastoral letter that condemns the use and threat of use of nuclear weapons.

Nov. 22—President Reagan selects Assistant Army Secretary Harry N. Walters as chief of the Veterans Administration.

In a nationwide television address, President Reagan explains his plan to deploy 100 MX missiles, which he renames "peacekeepers," in a so-called dense pack at an initial cost of \$26 billion.

Nov. 23—President Reagan proposes a 5¢ per gallon increase in the federal gasoline tax to pay for road repairs and create some 320,000 jobs, as part of a proposed 5-year, \$32.9-billion program.

In a consent decree signed by U.S. district court Judge Harold Greene, the Justice Department and the

National Association of Broadcasters agree to eliminate all limitations on the time taken up by commercials in television advertising.

Nov. 28—According to the Congressional Budget Office, the President's plan for dense-pack deployment of the MX missiles will make "a relatively small contribution to U.S. nuclear capabilities."

Nov. 29—Addressing the mayors of the National League of Cities in Los Angeles, President Reagan says that the only monetary aid that can be expected for the country's cities "must [come from] a restoration of our economy from sea to shining sea."

Nov. 30—President Reagan tells a news conference that he will not try to advance the date of next July's 10 percent tax cut.

Economy

Nov. 3—The New York Stock Exchange's Dow Jones industrial average climbs to an all-time high of 1,065.49.

Nov. 4—The Commerce Department reports that the U.S. foreign trade deficit rose to \$13.1 billion in the 3d quarter of 1982.

The New York Stock Exchange reports the busiest day in its history; 149.4 million shares are traded.

Nov. 5—The Labor Department reports that the unemployment rate rose to 10.4 percent in October.

Nov. 15—The Depository Institutions Deregulation Committee agrees to new rules permitting depositors in banks and savings institutions to open money-market-type accounts in such banks with a minimum deposit of \$2,500.

Nov. 16—The Labor Department reports that its producer price index rose 0.5 percent in October.

Nov. 19—The Commerce Department revises its estimate for the growth rate of the gross national product (GNP) for the 3d quarter to zero percent growth.

The Federal Reserve cuts its discount loan rate to 9 percent.

Nov. 22—Most major banks lower their prime rate to 11.5 percent.

Nov. 23—The Labor Department reports that its consumer price index rose 0.5 percent in October.

Nov. 25—The Census Bureau reports that total federal, state and local government spending in fiscal 1981 reached \$1,110 billion for the 1st time.

Nov. 26—The Commerce Department reports a \$5.3-billion deficit in U.S. foreign trade in October.

Nov. 30—The Commerce Department reports that its index of leading economic indicators rose 0.2 percent in October.

Foreign Policy

(See also *Intl, Middle East Crisis, NATO; Argentina; Costa Rica; El Salvador; France; Greece; Japan; Nicaragua; Philippines; Zimbabwe*)

Nov. 1—In Singapore, Secretary of Defense Caspar Weinberger confers with Singapore's leaders about the Soviet military buildup.

Senior national security officials admit that the U.S. is supporting small-scale clandestine military operations against Nicaragua.

The State Department reports that at the request of Lebanon's President Amin Gemayel, U.S. marines will assume new security functions in Lebanon.

Nov. 3—Weinberger meets with Indonesian President Suharto in Jakarta to discuss "the security of both our countries."

Nov. 9—White House officials say that Ambassador to El Salvador Deane R. Hinton has been advised to stop public criticism of human rights abuse by El Salvador.

Nov. 11—In a televised news conference shortly after the announcement of the death of Soviet President Leonid Brezhnev, President Reagan says that his administration is prepared to work with the new Soviet leadership to improve Soviet-U.S. relations but that it "takes two to tango."

Nov. 13—President Reagan announces that U.S. trade sanctions against companies using U.S. technology for supplies to the Soviet natural gas pipeline have been lifted; he claims that the Allies have agreed on a new policy governing trade with the Soviet Union.

The French government says that it is "not a party to the Allied trade agreement announced this afternoon in Washington."

Nov. 14—Vice President George Bush and Secretary of State George Shultz arrive in Moscow to attend tomorrow's funeral of Soviet President Leonid Brezhnev.

Nov. 15—Vice President Bush meets in Moscow with Soviet General Secretary Yuri V. Andropov.

Nov. 23—Vice President Bush meets in Zaire with President Mobutu Sese Seke to affirm U.S. support for Mobutu.

Nov. 29—Secretary of Defense Caspar Weinberger meets with NATO officials in Brussels to explain the necessity for U.S. deployment of MX missiles.

In a State Department report submitted to Congress, Secretary of State George Shultz details U.S. evidence of the continued Soviet use of chemical and toxin weapons in Laos, Cambodia and Afghanistan.

Nov. 30—President Reagan leaves on a 5-day visit to Brazil, Colombia, Costa Rica and Honduras.

The Defense Department notifies Congress of its intention to sell army vehicles worth \$97 million to Taiwan; Congress has 30 days to veto the action.

Labor and Industry

Nov. 9—Richard L. Trunka defeats incumbent Sam M. Church Jr. for the presidency of the United Mine Workers union.

Legislation

Nov. 29—The 97th Congress returns for a lame duck (postelection) session that is scheduled to end December 17.

Military

Nov. 11—In Arivaca, Arizona, the first of 52 Titan II missiles is officially deactivated.

Nov. 13—As part of a 5-day "National Salute to Vietnamese Veterans," a monument is dedicated in Washington, D.C., to soldiers who lost their lives in that conflict.

Nov. 19—On its 4th attempt, the Army succeeds in firing its new Pershing 2 medium-range missile.

Nov. 23—The Army admits that in its 4th attempt the Pershing 2 missile missed its target.

Politics

Nov. 2—In congressional elections, Democrats increase their margin of control in the House by 26 seats and now hold 267 seats; the Republicans hold 166 seats. Republicans retain control of the Senate with 54 seats; the Democrats hold 46 seats. The Democrats win 27 of the 36 governorships at stake, and will control 34

of the 50 governorships and both houses of the legislature in 34 states.

Nov. 5—President Reagan selects Senator Paul Laxalt (R., Nev.) as the new chairman of the Republican National Committee.

Nov. 30—In delayed congressional elections in Georgia, 2 more Democrats win House seats; there will be 269 Democrats and 166 Republicans in the 98th Congress.

Science and Space

Nov. 16—Completing its 5th mission, the space shuttle Columbia lands after a 5-day flight; 2 commercial satellites were launched from the shuttle during its flight.

Supreme Court

Nov. 29—The Supreme Court refuses to hear an appeal by former President Richard Nixon of lower court decisions that will eventually make public some 6,000 hours of his White House tapes after the tapes are screened by archivists.

UPPER VOLTA

Nov. 7—In a predawn coup, Colonel Saye Zerbo is overthrown by the Provisional People's Salvation Council.

Nov. 8—The Ouagadougou radio says that Major Jean-Baptiste Ouedraogo is the chairman of the new ruling council.

URUGUAY

Nov. 28—For the first time since 1973, Uruguayans hold elections; about 500 officials of the 3 approved parties are to be elected; in turn, they will name presidential candidates for an election scheduled to be held in November, 1984.

VATICAN

(See also *Poland*)

Nov. 21—In Palermo, Pope John Paul II indirectly reproves the Mafia; he does not name the Mafia organization directly.

Nov. 26—The Pope promises full cooperation with the government of Italy in the investigation of the relationship between Italy's largest bank, Banco Ambrosiano, and the Vatican bank, called the "Institute for Religious Works."

Nov. 28—It is announced in San Salvador that the Pope will visit El Salvador early in 1983.

VENEZUELA

Nov. 29—The government announces that it has taken over Banco de los Trabajadores, the country's largest bank; the government says the bank was about to fail because of illiquidity.

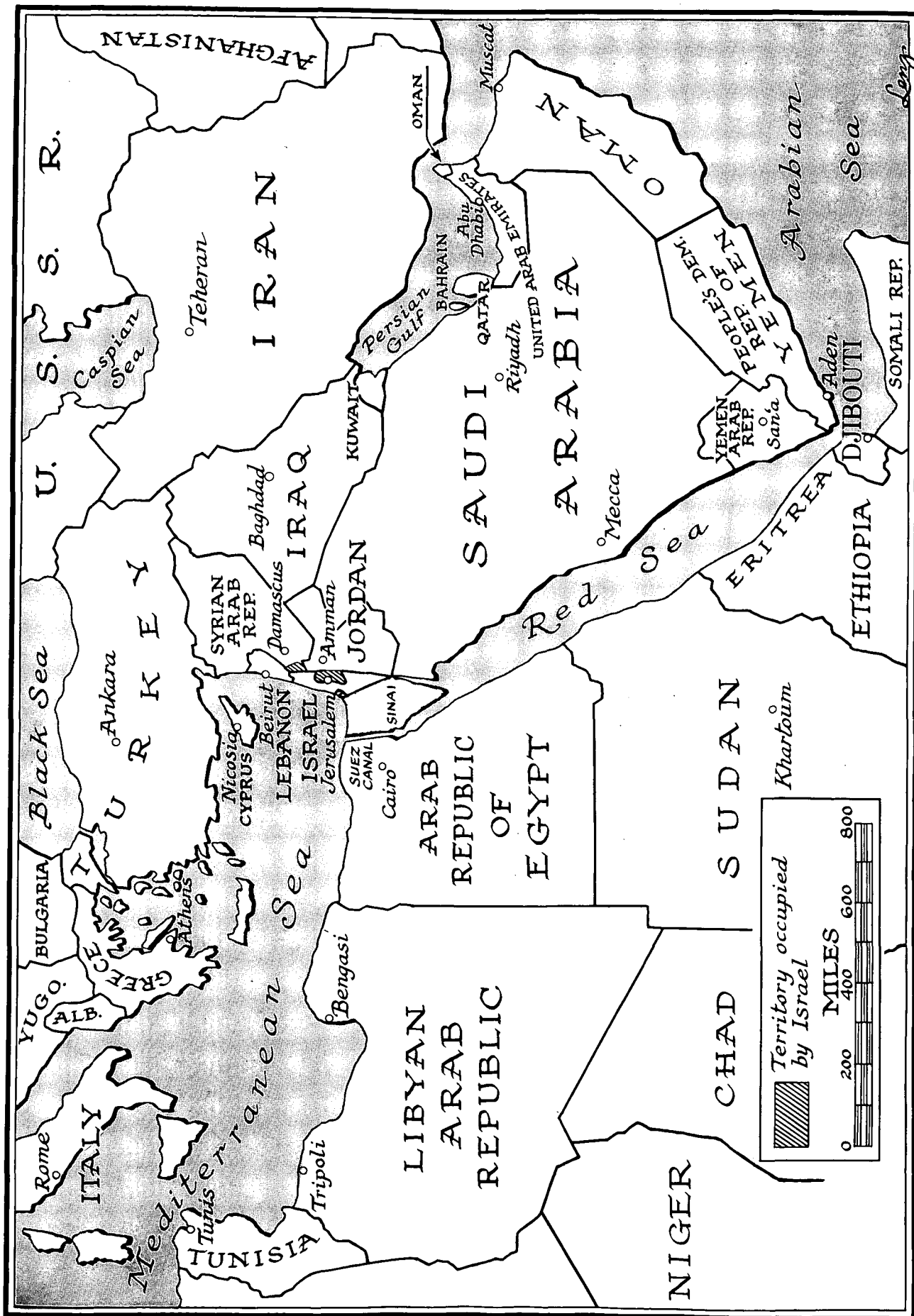
VIETNAM

(See *China*)

ZIMBABWE

Nov. 16—In Harare, Prime Minister Robert Mugabe asks visiting U.S. Vice President George Bush to "side with Africa" against South Africa on the issue of Namibian independence.

Nov. 26—It is announced in Harare that the U.S. has guaranteed \$25 million in loans from U.S. banks, as part of a \$50-million loan from U.S. banks to the Zimbabwean government for housing in Harare and 3 other towns. The U.S. has thus far given or pledged \$300 million in aid to the Mugabe government. ■



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